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13 June 1983

WEST EUROPE REPORT

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TERRORISM

FRANCE

BOMB DAMAGES LEFTIST POLICE UNION BUILDING IN PARIS

Paris LIBERATION in French 25 Apr 83 p 16

[Article by E.F.: "Attack against the Uniformed Police"]

[Text] Yesterday, in the early afternoon, an explosion partly destroyed the Paris offices of the National Union of Uniformed Police (SNPT), one of the unions in the powerful FASP [Independent Federation of Police Unions], of socialist leaning.

More damage than harm in the attack occurring, early yesterday afternoon, against the headquarters of a police-officers' union in Paris. Two slightly wounded, but the office of the SNPT was completely wrecked.

At 12:45 PM, a sixth-floor tenant was going back to her place at 10, Rue de la Dunkerque. The elevator goes only to the fifth floor, occupied by the union. Categorically: no strange parcel on the landing, nothing at all written on the walls. Nevertheless, she had barely entered her place when a tremendous explosion shook it, blasting her door to pieces and knocking over a good deal of her furniture. On the landing, a fire started. In the street, lots of broken glass. A few minutes later, the whole building was evacuated, and the fire was brought under control.

The police of the Criminal Brigade can do no more than take note. There is hardly any doubt but that the target was indeed the SNTP, a member union of the FASP, of socialist leaning.

On the landing, in front of the door, was an enormous hole where the bomb--of high power, about a kilo--must have been set. On the walls of the stairway were a few inscriptions, barely completed, as if the perpetrators had been disturbed in their work. A circle with the letter "A" inside it, as well as the work "Nihil." In short, an assertion that is not among the most enlightening, even though it evokes anarchist, or independent, groups.

As for the moral of this attack, "I am stunned," a union spokesman stated.

11267
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TERRORISM

FRANCE

LEGION OF HONOR MUSEUM ATTACK YIELDS ORIACH, LARF, NAPAP TIES

Paris LE MATIN in French 26 Apr 83 p 15

[Article by Patrice Burnat: "The Sacking of the Legion of Honor Museum--Where the Independents Are Talked Of Again--Marina da Silva and Christian Gauzens Are Close Friends of Frederic Oriach, Whose Liberation They Have Demanded"]

[Text] The police of the Criminal Brigade took barely more than 48 hours to find the presumed perpetrators of the sacking of the Legion of Honor Museum, committed in Paris on Friday evening. Yesterday morning they interrogated some far-left militants close to the group of Frederic Oriach, whose liberation the commando unit has demanded (LE MATIN of Saturday). Among them are some who are already old acquaintances.

The commando group that attacked the Legion of Honor Museum on Friday evening had chosen the direct-action approach: a wrecking by-the-rule for 5 minutes, no more, of three rooms in the Rue Bellechasse building by a dozen young people, masked. The weapons? Iron bars, axe handles, quickly abandoned in the street at the moment of flight. A sawed-off rifle had also been mentioned, but only one of the museum guards referred to it in his report. The only clue was the tract left on the spot, demanding, in addition to freeing of the far-left militant Frederic Oriach, withdrawal of the French troops from Lebanon.

But there was one tiny element. A young woman, on this occasion, among the members of the commando group, whose mask (a scarf) slipped down during the attack. This direct action by the friends of Oriach was met by a sharp investigation by the Criminal Brigade. From among the photos presented to them, the museum guards formally identified Marina Da Silva, 25. Marina was a friend of Oriach's, and she later married Jean-Pierre Gerard, also a friend of Oriach's. He had been arrested together with him--and with Michel Lapeyre--a long time ago now, in May 1977, within the framework of an investigation into the Armed Proletarian Nuclei for People's Autonomy (NAPAP). At that time, Jean-Pierre Gerard had been found in possession of a 7.65-mm pistol that had been used to seriously wound the assistant military attache of the Spanish embassy in October 1975, and to kill the Bolivian ambassador to Paris in May 1976. Michel Lapeyre, for his part, carried the weapon used to execute Jean-Antoine Tramoni in 1977.

It was in Rue Guy-Patin, in the 10th arrondissement, that the police arrested the young woman yesterday morning in the apartment that she shares today with Christian Gauzens, 28. And Gauzens too leads back to Oriach, since he was questioned at the same time as he, last October, after a series of attacks for which the Lebanese Revolutionary Armed Faction (LARF) claimed responsibility. Oriach--accused, among other things, of complicity in murder--had taken the Health route. Gauzens, at whose place the police seized only some false identity papers, was released. But not for long.

Yesterday, the search made in Rue Guy-Patin produced a number of items that helped to confirm the line of investigation taken. There were indeed hoods and tear-gas bombs in Christian Gauzens and Marina Da Silva's place. And also clothing as described by the witnesses to the Legion of Honor Museum attack. And in particular, the original of the tract demanding the freeing of Oriach: a text printed out by the two young people with a lettering guide.

Old Recidivists

Oriach's friends again at the center of the issue. And again a roundup in this "Marxist-Leninist subsidiary," which the Quai d'Orsay describes as "close" to the dissolved Direct Action movement. Yesterday, Michel Lapeyre and Jean-Pierre Gerard, old active-militancy recidivists, were also interrogated once again. As in 1977. As in 1980, after being released and then picked up again following an attack against offices of the German Railway Co. It is improbable, though, that they took part in Friday evening's action, to judge from the reports of the guards. The Legion of Honor Museum commando group was, it appears, composed of some very young people, "with the exception of one fellow and a girl who acted as leaders."

So there is not really any feeling of triumph at the Quai d'Orsay, where they are aware of lacking some elements. The searches carried out in Paris, Noisy and Choisy-le-Roi, in particular, in the homes of the other "friends of Oriach," generally proved disappointing: only a few documents, a few clothes--parkas in lively colors--identical to those worn by the members of the commando group, and some clippings reporting Friday's attack. But in any case, no weapons, no explosives: "Nothing really solid for making a legal case against most of the young people interrogated," a police officer admitted yesterday.

The investigation, of course, is far from completed. Will Sunday's attack against the headquarters of the National Union of Uniformed Police Officers (SNPT), in Rue Dunkerque, come into the picture, in its developments? The friends of Oriach have proved well enough, in the past, that they know how to handle explosives.

11267
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TERRORISM

FRANCE

BRIEFS

COMMANDOS ATTACK CULTURAL CENTER--Commando operation against a cultural center: A cultural center installed in an unused factory in which it was a squatter, at 19 Rue Leon Giraud, in the 19th arrondissement in Paris, was wrecked Friday night by a commando group of some 20 persons. Taking the six inhabitants of the place hostage for more than 2 hours, the attackers--armed, according to the center's officials, with a pistol, iron bars and an axe--systematically destroyed the furniture, the musical instruments and various equipment used for the center's activities. The commando group left around midnight, making threats and leaving behind a wooden club on which was written: "Offensive autonomy." The most surprising thing about the story is that the police officers of the district, notified by at least five telephone calls, did not consider it necessary to disturb themselves. "It is only a quarrel among squatters," they are reported to have said. An administrative inquiry will be opened into the matter. [Text] [Paris LIBERATION in French 25 Apr 83 p 16] 11267

CSO: 3519/512

PAPER COMMENTS ON RIKSDAG ENERGY POLICY DEBATE, OIL PRICES

Stockholm DAGENS NYHETER in Swedish 30 Apr 83 p 2

[Editorial by Olle Alsen: "Out of the Fire, Into the Ashes"]

[Text] Swedish energy policy is in a daily rut after the great struggles and convulsions of the 1970's. As was also evident in yesterday's energy debate in parliament, the tone was milder and the differences fewer than earlier. There remain, however, many troublesome questions. These involve partly the built-in contradictions both in ends and means.

If oil prices continue to fall back to a more normal level, say \$20-25 a barrel, it will be difficult and debatable to pursue the planned drastic reduction of oil use in Sweden, a reduction by a third by 1990.

If oil prices stabilize at a lower level, while, at the same time, coal prices increase, it would be economically doubtful to scrap a large capital stock of oil-fired heating plants, district heating for multifamily dwellings, industrial boilers, etc. only to replace them in the near future with coal fired installations. It would be to jump from the oil fire into the coal ashes, and it would not be a good exchange. On the other hand, coal is cheaper to stockpile and less sensitive to disruptions in delivery.

In the large oil substitution program of 1981, in the municipal oil substitution plans, and in the political discussion, the replacement of oil with domestic solid fuel has an important and legitimate place, as the Center party noted in its motion; pellets, briquettes of forest energy products, and peat and scraps can currently be prepared at a market price of approximately 1,600 kronor with an energy equivalence equal to a cubic meter of No. 1 fuel oil at the cost of 2,500 kronor and the transportation volume for these pellets and briquettes remain about double that of the oil. Already at present 13 million cubic meters of forest fuels can be taken out of the forests, and with new methods twice as much by 1990, without depriving the forest industries of their needs.

Nevertheless, the Mora energy company and other suppliers have a growing "mountain" of wood chips, etc. that lack sufficient buyers. The cause is the real uncertainty of municipalities and other large users concerning

technical and cost developments. Energy Minister Birgitta Dahl's statement in connection with the supplementary bill that domestic fuels will remain taxfree will possibly stimulate both forest energy sources and peat. Several projects are underway. How sufficient will this be given the traditional pattern of oil use and the conventional technology for coal as oil's future replacement?

Brigitta Dahl has had well-founded concern about the rapid growth of electrical heating: 100,000 new users last year and perhaps just as many this year unless homeowners see the writing on the wall: a doubling of daytime electricity prices during the heating season in the near future and higher standing charges. This is to finance, if possible, nuclear power from the future reactors Forsmark 3 and Oscarshamn 3, and the multibillion kronor cost of increased capacity for the electrical system which is needed when the peak load grows on account of electric heat and when the sensitive reactors provide a growing portion of the electricity supply.

"We are worried about this development; we must not create too large a dependence on electrical heating systems. Society would then have to double capacity and build expensive energy systems," Brigitta Dahl said recently at the Power Plant Association annual meeting.

One must sleep in the bed one makes. It was crazy to rely so strongly on nuclear energy when time showed that only half of the capacity could be sold, at bargain prices, for low quality heating uses.

Hope now hinges on the unexpected and fortunately rapid expansion in heat pumps, which give three or four times the heat of the electricity they use. This is a sensible use of electricity, and it can save enormous quantities of oil and other fuels. But here again there is a paradox for energy policy: the increased use of heat pumps undermines the large scale sale of district heating, which the municipalities want in order to pay off their large and very possibly unnecessary investments.

9906
CSO: 3650/179

STUDY BLAMES DOMESTIC, U.S. ECONOMIC POLICIES FOR HIGH 1982 DEFICIT

Paris LE MONDE in French 24 Mar 83 p 40

[Article by Raymond Courbis, professor at Paris-X Nanterre University and director of the GAMA University Forecasting Institute, and Andre Keller, junior lecturer at Paris-II University and head of research for GAMA]

[Text] After being jeopardized in 1974 by the first "oil shock," equilibrium in the French trade balance was restored in 1978 as a result of the Barre plan. The second oil shock jeopardized that restored equilibrium, and the trade balance again showed a considerable deficit in 1980 (60 billion francs).

It could be expected, however, that as had happened after the first oil shock, equilibrium would again be restored gradually. During the first half of 1981, the deficit did in fact start to decline (22 billion francs). But beginning with the second half of 1981, it worsened considerably (29 billion francs), and the trend grew worse in 1982: 43.4 billion francs for the first half of 1982 and 49.3 billion for the second half--a total of 93 billion francs for all of 1982, compared to 51 billion for 1981.

What is the explanation for that sudden deterioration in the French trade balance in 1982?

Answering that question is essential if we are to act effectively and implement a suitable policy.

Qualitative factors--an example being the quality of French products--have been mentioned by various commentators, but that does not strike us as the essential point. One must not forget the effect of the various events that weighed on the French economy in 1982. To calculate that effect, one must determine how the French economy--and particularly the trade balance--would have evolved if such and such an event had not occurred. In other words, it is necessary to "rewrite the history" of 1981-1982.

Use of an econometric model does in fact permit us to simulate what would have happened under a particular hypothesis. Through comparison with observed developments, such a model allows us to calculate the impact of the various factors that may explain the developments noted. That is what we have done with the help of the MOGLI model--a multisectoral econometric model constructed by GAMA.¹ [See footnote 1 on following page.]

Various "events" of macroeconomic significance had a considerable influence on developments in 1981-1982: French domestic policy, parity adjustments within the EMS [European Monetary System], the rise in the value of the dollar, and higher U.S. interest rates. Using the MOGLI model, we calculated the effects for 1982. The table on the following page presents the results as they relate to the trade balance, growth, inflation, unemployment, and the public debt.²

Shorter Workweek

Giving priority to the fight against unemployment, the government chose in 1981 to give growth a boost by stimulating consumption (by means of a substantial increase in social transfer payments and a faster upward revision of the SMIC [Interoccupational Minimum Growth Wage]), increasing government spending, and creating numerous government jobs.

The policy for reviving the economy undeniably had the effect of stimulating activity. The growth rate was increased by 0.9 percent in 1982, but there was a heavy price to be paid. The stronger growth in domestic demand, which was not offset by improved supply, worsened the trade balance by 27 billion francs. In addition, the public deficit increased by 52 billion francs.

Parallel with that, the 1-hour reduction in the legal workweek and the addition of a fifth week of paid vacation were aimed at increasing employment. But the total compensation established by the president of the republic to offset the loss of wages increased costs and accelerated inflation. With real wages nevertheless being higher, it could be thought a priori that the resulting increase in demand would lead, at least in the short term, to stronger expansion. And that is in fact what would have happened if the shorter workweek had not resulted in less operating time for equipment and, consequently, a drop in potential supply. A recent survey by INSEE [National Institute of Statistics and Economic Studies] showed that that is precisely what happened in two firms out of three and that the shorter workweek forced 4 firms out of 10 to cut their production proportionately. Despite the increase in demand, the shorter workweek led to a drop of 0.3 percent in growth, whereas growth would have been accelerated if production capacity has been adequate. At the same time, the effect on the trade balance was unfavorable.

On the other hand, raising social security contributions in November 1981 and unemployment insurance contributions in November 1982--along with the now semi-annual revision of the social security ceiling--made it possible to reduce the foreign deficit and the public deficit.

In all, the domestic economic policy in 1981 and 1982 (see the table) accelerated growth by 0.5 percent and reduced unemployment by about 170,000 persons--

1. More information on the MOGLI model can be obtained by referring to the detailed presentation appearing in PREVISION ET ANALYSE ECONOMIQUE, Vol 1, 1980, No 2-3 (Economica Publishers).
2. For a more detailed analysis, see the article that will appear in PREVISION ET ANALYSE ECONOMIQUE, Vol 4, 1982, No 1.

**Effect of French Economic Policy and U.S. Policy
on Principal French Aggregates in 1982**

	Growth (a) (%)	Inflation (b) (%)	Unemployment (000's) - 64.7	Trade balance (billions of francs) - 27.0	Government deficit (billions of francs) +51.5
1. French recovery 1981-1982	- - -	+0.9	+0.2		
2. Shorter workweek and 5th week of paid vacation	- - -	-0.3	+0.6	- 65.8	- 3.4 + 6.6
3. Early retirements and solidarity contracts	- - -	+0.1	-	- 40.6	- 1.3 + 2.5
4. Higher social security contributions (Nov 81) and higher unemployment insurance rates (Nov 82)	- - -	-0.3	+0.1	+ 5.0	+ 8.3 -26.0
5. Price and wage freeze	- - -	+0.1	-0.4	- 4.6	- 3.4 - 1.5
6. Total of 1-5 = Overall "domestic policy"	+0.5	+0.5	+0.5	-170.7	- 26.8 +33.1
7. EMS adjustments, Oct 81 and Jun 82	+0.5	+1.5	+2.0	-15.2	- 17.9 + 2.3
8. Total of 6-7	- - -	+1.0	-	-185.9	- 44.7 +35.4
9. Rise in dollar value and higher U.S. interest rates	- - -	-0.9	+3.5	+ 24.0	- 57.4 +35.8
10. Total effect = 8 + 9	- - -	+1.0	+5.5	-161.9	-102.1 +71.2

(a) Growth rate (%) of the GDP at market prices in volume (1970 prices)

(b) Growth rate (%) of the household consumer price index (national accounts)

a very appreciable result--but it also worsened the trade deficit by 27 billion francs and increased the public deficit by 33 billion francs.

Inflation

Another consequence of the economic recovery policy and the fight against unemployment was the acceleration of inflation, whereas the other industrialized countries, notably the FRG and the United States, were trying to reduce their inflation rates. That fact, added to the worsening of the trade deficit, led to a weakening of the franc and the two adjustments within the European Monetary System that occurred in October 1981 and June 1982.

Those two adjustments led to an 18-percent devaluation of the French franc in terms of the German mark. They undeniably had a favorable effect on growth (about 0.5 percent in 1982), but as a result of the "perverse" effects of a devaluation shortly afterward, the deficit in the trade balance grew worse. Only gradually did the "price effects" begin to increase the volume of exports and reduce the volume of imports, while the devaluation of the franc instantly made imports more expensive. For 1982, the negative effect on the trade balance of the two devaluations of the franc totaled 18 billion francs, and this worsened the deterioration linked to domestic policy measures.

In all, the domestic policy and the two devaluations of the franc made it possible to accelerate French growth by 1 percent in 1982. Without those measures, growth would therefore have been only 0.5 percent instead of the 1.5 percent actually recorded. But they heavily mortgaged the future: the trade deficit in 1982 was worse off by 45 billion francs, and the deficit in public finance was 35 billion francs worse. Inflation was up by 2.4 percent, making it necessary to freeze prices and wages for 4 months.

Half of the trade deficit recorded in 1982 can therefore be explained by French domestic policy, including the two adjustments to the value of the franc that were made necessary by that same policy.

For the rest of it, account must be taken of American policy, which, for the purpose of checking inflation, included a restrictive monetary policy. The result was a sharp rise in U.S. interest rates that made the dollar particularly attractive. From a value of 4.20 francs in 1980, the dollar rose to 5.35 francs in April 1981. Its average value in 1982 was 6.57 francs, and it even passed 7 francs in mid-1982.

The rise in the dollar's value had the effect of increasing the cost of our purchases very considerably, since about 40 percent of all French imports must be paid for in dollars. The "dollar shock," along with the takeoff by world interest rates, slowed world growth and put a damper on possible outlets for France's products.

The total effect was a slowdown of 0.9 percent in French growth for 1982 as well as an acceleration of inflation in France (+3.5 percent for 1982) and, in particular, a worsening of our country's trade balance by 57 billion francs for 1982.

As can be seen, U.S. policy alone was responsible for half of France's trade deficit in 1982.

But the fact remains that the external deficit for 1982 is the penalty for the policy pursued by France.

11798
CSO: 3519/421

ECONOMIC

FRANCE

SECOND WAVE OF 'RIGOR' PREDICTED TO INFLAME LABOR OPPOSITION

Paris LE MONDE in French 20-21 Mar 83 pp 1, 17

[Article by Michel Noblecourt]

[Text] No union organization has underestimated the political stakes in the municipal elections. But none has considered it advisable to formalize its reaction through a statement by its national board or executive committee.

That discretion may appear surprising--does the union class have less to say than the political class?--but it is not astonishing. All the unions agree in admitting that the municipal elections reflected a rise in discontent and constituted a warning to the government. But what was the warning, and which policy was its target? In the current political and economic storm, each union is worrying about the disenchantment in its social base and wondering how that base will react to new government choices.

The union world is also at a crossroads. The time has not yet come to pass from leaving the government in a state of grace--already defunct--to what might be called moving in for the kill, but the wait is feverish. A new wave of "rigor," which will necessarily be harsher than the first, is in danger of immediately provoking a stiffening attitude on the part of the CGT and the FO [Workers Force].

For the moment, Krasucki's union seems more intent on doing battle with the press than with the government. But that in itself is a sign. The confirmed weakening of the PCF, coming as it does after the setback for the CGT in the elections for the labor conciliation boards, is showing CGT leaders that their social base has assigned more weight to what is not going right--purchasing power, for example--than to "the greatest sum of social victories since the Popular Front and Liberation."* Quite often, they have wanted nothing to do with those achievements.

In writing a series of articles on the theme "let us cultivate our union garden," Krasucki was trying to revive and mobilize his members so that a good number of them would overcome their doubts from the recent past concerning the

* An article by Henri Krasucki, "The Blues or the Awakening," in LA VIE OUVRIERE No 2011, 14-20 March 1983.

orientation of the Socialist Party and put their imprint on the course of change.

But there is nothing to indicate--quite the contrary--that the PCF and the CGT will receive a better hearing in this new phase of government action, especially if the number of Communist ministers is reduced. It looks as though there will be friction. So it is clear that implementation of a second wave of "rigor" resulting in a drastic cut in purchasing power and reduced consumption will be more firmly combated by the CGT, which will then be resolutely determined to be the leader of the malcontents. If it happens, union opposition will also come from the Workers Force. Bergeron has already warned the government that the rigor in the first plan had brought the cup to the point of overflowing. Letting it overflow is out of the question: even greater austerity would be considered unacceptable from the social standpoint. Rejecting all demagoguery, which would not be proper because of the difficulties that he recognizes, Bergeron, concerned to exhibit both "realism and firmness,"¹ is afraid that there will come into being an income policy which, by again challenging free wage negotiations, will ruin the contractual policy. Is this a "casus belli"?

However, some organizations seem willing to accept new rigor bringing a few "sacrifices" in its train. But only on certain conditions. The CFTC has already agreed that productivity gains could be linked to a shorter workweek rather than to improved purchasing power. But it remains very hostile to a "deliberate policy for reducing consumption and purchasing power." Bornard feels that maintaining purchasing power is justified as long as the gross domestic product is developing in a positive direction. But if that trend reversed itself, would the Christian union consent to more sacrifices?

At the CGC [General Confederation of Managerial Personnel], Menu and Marchelli saw confirmation in the recent study by the CERC (see LE MONDE, 19 March) of their diagnosis concerning shrinking purchasing power among managerial personnel. And in the CGC's opinion, that, along with the absence of an industrial strategy, is contributing to the discouragement of the white-collar workers: "People are giving up," says one minister who is concerned over the flattening of the worker hierarchy and the situation of middle managers. For all that, the CGC is prepared to accept "sacrifices" in the living standard if they will help the economy recover. But this presupposes--and it is a sine qua non condition--that the union will fully support "a great economic and industrial plan" by the government. And the chances of such support are very slight unless there is an almost complete about-face in policy.

Although the CFDT was the first to speak in favor of rigor, it is now being more demanding. What it is advocating is a real recentering of that rigor. As one of those who signed a collective article by the confederation's executive committee,² Albert Mercier clearly called for a reorientation of government

1. An article by Andre Bergeron in F.O.-HEBDO, 16 March 1983.

2. An article by Mercier in SYNDICALISME CFDT, 17 March 1983 (see LE MONDE, 17 March).

choices and issued a warning at the same time: "If monetary decisions are to be made, the accompanying measures will have to be negotiated. The CFDT will not accept the imposition of authoritarian provisions as happened in June 1982.... If efforts are to be made, who will have to pay and why--for what purpose?"

In the opinion of Edmond Maire and his union [CFDT], therefore, it is necessary to reinstate negotiation, discuss a "plan of solidarity" that will actually reduce inequalities, and "define what will be given in return." Parallel with that, and in view of the recovery in June 1981, the union is wondering how it will be possible to reconcile the priority assigned to low incomes and a reduction in the trade deficit. A real debate.

Broader Reflection

In this atmosphere of morose waiting to see what happens, all the organizations are broadening their thinking beyond the social area to consider the major economic choices. Convinced of the delusion involved in trying to find a solution to the crisis "on the national level alone," Bergeron has said that he considers any swing toward protectionism to be "purely and simply suicidal." That viewpoint is widely shared all the way from the CGC through the CFTC to the CFDT. Even the CGT is careful not to demand a shivery withdrawal to within France's borders. But if the need makes itself felt, it would prefer to reduce imports through protectionist measures rather than see wages and consumption jeopardized.

The unions are also wondering about the possibilities for stimulating investment. Would a higher TVA [value-added tax] or an increased tax burden be necessary to finance investments? The debate is already underway. The CGT Tax Association has just asked that the tax on large fortunes be increased from 1.5 to 2 percent. Is it a case of soaking the rich? The CFDT's thinking seems to lead it to rule out a heavier tax burden, but it is thinking of defending the idea of "forced savings" beginning at a certain level of income. That option threatens to bring back in through the window an income policy challenged in other quarters.

In government circles, there is already concern over a possible hardening of the unions' attitude, especially this autumn. The absence of an immediate political deadline, the recognition of discontent on the part of wage earners, the determination of the union leaders, whoever they are, not to cut themselves off from their rank and file, the prospect of elections in the social security system, the continuation of wage negotiations for 1983, and the yearend discussion concerning the possible implementation of safeguard clauses in the public sector are all so many factors capable of bringing about that hardening attitude. The low level of support by wage earners, the overall erosion in the number of union members--the Achilles' heel of trade unionism that is still weak--and the persistence of a divided union movement may, however, soften the general expression of that firmness.

To a large extent, the attitude of the unions will depend on the government's choices and the latter's ability to win back the confidence of its partners. By growing worse, the economic crisis may strengthen the camp of realism or increase the number of grumblers. What is important is to give a boost to the dynamics of negotiations concerning, for example, something that union leaders

and ministers agree is a "burning issue"--the subject of classification changes, which, because it has not been resolved, is generating conflicts. And what is important first of all is to decide on a policy.

11798
CSO: 3519/421

SAAB-SCANIA GETS GEORG KARSUND AS NEW MANAGING DIRECTOR

Stockholm SVENSKA DAGBLADET in Swedish 20 Apr 83 p 29

[Article by Uno Skold: "Saab-Scania Changes Leadership"]

[Text] Saab-Scania is changing leadership today. Georg Karnsund, previously assistant managing director, will be the new managing director. He replaces Sten Gustafsson who becomes active board chairman. Saab-Scania will be led by a veteran team which has worked together for many years.

Saab-Scania has amazed Sweden by becoming in short time a much stronger firm.

Saab has strengthened its image with the new passenger cars. Scania has become stronger and heavier with its trucks.

The third leg of the group is the aviation division. This has now the possibility to develop into a very profitable division.

The rest of the group has been concentrated and reorganized to be able to make money from the best ideas for new products which have come out of the aircraft program among other things.

Sten Gustafsson became managing director of Saab-Scania in 1978.

At that time many believed that the group hardly had any future. The passenger cars seemed doomed. Saab seemed hopeless.

The firm's trucks were also seen as without a future.

The reason for these grim prospects for the passenger cars and trucks were the Japanese. Japanese industry would take over the entire market from a firm as small as Saab-Scania, it was then believed.

Years of Breakthrough

During last year Saab-Scania has been able to demonstrate that this judgement was quite wrong. The group considers last year as a breakthrough and the future at present appears quite bright.

The company can today thank its lucky stars that Saab dared to develop a new generation of passenger cars in 1979. Saab collected its technical advisers and aimed at developing an up-market automobile model. This became the 900 series, which has been a real step forward.

Saab strengthened as well its marketing organization and its subsidiaries so that they could be run completely according to rational business methods. This produced results for the 900-series. The cars have been sold even during the recession.

Saab believes that the 900 series is just at the start of its life cycle. By international standards, Saab is a small car producer, but the 900 series as a model is a large product, and Saab has a broad program for it.

As a continuation Saab will rely strongly on building a network of retailers. In March Saab sold 2600 cars in the U.S., and the model has gotten so good a reputation there that sales have good prospects to increase.

The devaluation of the Swedish krona assists these sales. The effects of the devaluation were first felt in sales at the end of last year and the full effect of the devaluation will be felt this year.

In its manufacturing of trucks Scania has concentrated on heavy vehicles over 16 tons. Scania serves many large markets, and despite the recession the truck division has had satisfactory results.

Scania has strengthened its market shares in recent years and developed a new truck line also including new motors.

It is advantageous for Scania to work with heavy vehicles. All signs indicate that heavy transports will increase while light trucks will decline. Scania can obtain quite high price levels.

Saab-Scania is at present quite satisfied with the aviation division. The schedule for civil aircraft has been maintained, and the plane flew three years after the contract was signed. Deliveries start in the first quarter of 1984.

Evasive answers

Saab-Scania believes that this branch which is comprised by the aviation division has a very high potential.

In regard to the profitability of the aviation division, Saab-Scania gives evasive answers. But many additional orders for the civil aircraft are clearly not necessary in order for the result to be positive.

Georg Karnsund does not need to make any sensational program changes when he assumes the managing directorship. The firm will continue in the form it currently has. Firm continuity will clearly be strengthened.

Saab-Scania further announces that there will be a concentration in Sweden as the number of Swedish subcontractors will be increased.

Capital investment will be high, and in order to maintain a high level of flexibility, Saab-Scania is prepared to have a strong capital position.

9906
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GOVERNMENT SEEN PLANNING PRODUCTION-FACTOR TAX BY 1984

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 83 p 6

[Article by Claes-Goran Kjellander: "Provisions Far from the Original. Ready for Promsen by 1984"]

[Text] There will be a production-factor tax [tax on machinery in the same manner as in done with sales or income] by 1984, but a tax which finally has only distant relationship with the production-factor tax [promsen] study presented in 1981.

According to SVENSKA DAGBLADET's sources, it will be proposed in a supplementary bill in 2 weeks.

The government's strategy is to control completely the entire sector involving business taxes and excises as well as the sector involving subsidies and other policies within and outside the tax system.

At present there remain several questions surrounding business taxation. The committee on business taxation will report during the year. That group which is working on wage earner funds and profit distribution is expected to be finished in May. Municipal taxation of companies is under debate. The temporary profit tax's future will be decided. The decision will include ATP [General Supplementary Pension System] taxes for the period after 1985.

Financing Tax Reductions

Last but not least, parliament will enact the already promised national income tax reductions for 1984.

The final provisions of the production-factor tax will be taken up in a parliamentary bill in the fall. But within 2 weeks the government must present the main parts. Since the Communists so far have supported the proposals for the production-factor tax, one can assume that the government will have a majority in the parliament.

In order to facilitate passage of the new tax provision, the government proposes, among other things, to exclude certain sectors. For example, the interest sector will be excluded. The production taxes would be

burdensome for agriculture and undoubtedly would lead to demands for higher food prices.

The production tax as a form of taxation can be described in very simple terms as a tax on all activities within a firm, while the taxes currently imposed are related mainly to the wages a firm pays.

Those who advocate the production tax as a means of taxation usually point out, among other things, that in contrast to employer taxes it does not make labor more expensive but, rather is neutral in the relationship between humans and machines.

The production tax study is led by the present secretary of state for foreign trade Carl-Johan Aberg. As a matter of principle, the Social Democrats and LO [Federation of Trade Unions] have easily found advantages in the new tax system, while the non-socialist parties and business have quickly found disadvantages.

The main criticism has been that the production tax, in its proposed form, will discourage investment.

9906
CSO: 3650/168

PALME SOON TO PRESENT PROPOSAL FOR WAGE EARNER FUND

Stockholm DAGENS NYHETER in Swedish 13 Apr 83 p 10

[Article by Sven-Ivan Sundqvist: "Business Profits to Be Divided 20 Percent on 'Real Profits'"]

[Text] The wage earner fund commission will shortly present its proposals on a so-called "real profit," 20 percent will be taken as a profit-sharing tax. The proposal, which DAGENS NYHETER has received in part, is ready. It will now be put in final form before the commission's chairman, P. O. Edin, delivers it to finance minister Kjell-Olof Feldt just prior to May 1. The term wage earner fund is not mentioned in the report.

The proposals for profit sharing are extremely complex. It is unlike any other proposal previously described in the wage earner fund debate. The proposal has, however, many similarities with the proposal for business taxation made last autumn by Professor Gustaf Lindencrona in his one-man report "Real Taxation" (SOU 1982:1).

The report calls for the following profit sharing system starting in 1984.

Every legal entity will be affected by profit sharing. Thus holding companies will not be taxed. The tax will affect corporations, economic associations and savings banks.

Trading and private companies will not be affected. Profit sharing will occur only if the "real profit" is greater than 500,000 kronor or larger than 6 percent of the legal entity's wage costs.

The profit-sharing tax will be 20 percent of the "real profits" minus 500,000 kronor or 6 percent of the wage sum.

Allowed Deductions

Real profit can be defined simply so that it includes the enterprise's surplus after provisions for investment funds are adjusted with an inflation deduction for inventory, machines, buildings, cash and the year's surplus.

Holding company contributions will be taxable or deductible in calculating the profit-sharing taxes. The legal entity which receives holding company contributions will thus include them in their base for profit-sharing taxes. Transfers from foreign subsidiaries will not be included in the tax base.

The profit-sharing tax will be an allowable deduction for purpose of calculating the firm's national and local income tax liability. The national income tax will be an allowed deduction in calculating the profit-sharing tax.

In the chart below the details of the different stages for calculating the profit-sharing tax are listed.

Adjustments

In step 1 the firm takes the income liable to the national income tax minus the income tax paid during the year. A number of items are added to this profit. The most significant addition for most firms will be possible increases in inventories.

The surplus is then adjusted in step 2 for inflation.

The firm will take a general inflation deduction on the accountable value of received goods and equipment times the annual rate of inflation.

The firm will also subtract the difference between book and taxable depreciation for buildings and installations.

In addition, the firm will adjust the surplus upward or downward by the rate of inflation times the so-called monetary net.

After these adjustments the firm has calculated its real profit.

The real profit is then reduced by either 6 percent of the wage sum or 500,000 kronor. The firm may choose either option. Of the remaining sum the 20 percent profit-sharing tax then will be levied.

The word wage earner fund is not mentioned in the report. Profit sharing is the term used.

The commission's recommendation for calculating the profit-sharing tax is thus in many ways close to Professor Gustaf Lindencrona's report on real taxation, which was published last fall.

Lindencrona

Lindencrona published a proposal for real taxation of both households and businesses. P. O. Edin's report has accepted with minor modifications Lindencrona's proposal for real business taxation as the basis for the profit-sharing tax.

According to Lindencrona's report, the main concepts behind real business taxation are the following:

1. Inflation has caused brutal property redistribution. Borrowers have gained and savers have lost. That is the main reason for introducing real taxation of households.
2. With high inflation it costs more to replace inventories, machines and buildings. Depreciation based on the historic costs of replacement becomes too low and causes excessive profits. The purchasing power of capital gains is reduced at the same time the firm gains by borrowing and repaying with money of reduced value.

It therefore must be reasonable that the nominal profit be adjusted for inflation before profits are taxed. Inflation gains are unreal and therefore should not be taxed. That is the purpose of introducing real taxation of firms.

The Real Test

P. O. Edin's proposal for a profit-sharing tax can thus be seen as an attempt to test real business taxation in Sweden. Such a form of taxation exists today among other places in a number of South American countries and in Israel and Iceland. If parliament approves the report's proposal, Sweden will have in 1984 two parallel systems of business taxation: the current nominal system and the real system.

The timetable for P. O. Edin's proposal will now be the following:

April 21: final meeting of the commission.

By May 1: the proposal will be published and referred to the government.

Summer: the proposal will be sent out for public comment.

Fall: the government will introduce a bill.

Before Christmas: the parliament will enact the bill.

[see chart next page]

[Chart] It's as easy as this...

Profit-sharing tax calculation

Income subject to national taxes
minus the fiscal year's national and local taxes
plus local taxes paid
plus deduction
plus additions to inventory
plus additions to the result equalization fund
plus provisions for losses
minus reductions in inventory reserves
plus reduction of result equalization fund
plus investment deduction
plus research deductions

equals Nominal Profit

plus inflation x monetary debts
minus inflation x monetary credits
minus inflation x taxable value remaining on machines and inventory
minus inflation x accountable depreciation for buildings and installations
minus inflation x annual nominal profit

equals Real Profit

minus basic deduction of 6 percent of wages (alternatively, 500,000 kronor)

equals Sum Subject to Taxation

The profit-sharing tax will be 20 percent of the final sum.

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ECONOMIC

SWEDEN

SOCIALIST DAILY EXPRESSES DOUBTS ON WAGE-EARNER FUND

Stockholm DAGENS NYHETER in Swedish 13 Apr 83 p 10

[Editorial extract: "STOCKHOLMS-TIDNINGEN: Were the Funds a Bad Idea?"]

[Text] Was the idea of funds bad from the start?

This was the question the Social Democratic STOCKHOLMS-TIDNINGEN asked itself in a leading editorial on Thursday.

"If after 8 years of investigation, a government report and three proposals from the labor movement itself and after much effort one cannot even solve ideological and technical questions, then perhaps it is time to start over from the beginning," according to the editorial.

"The final goal, the wage earners' right to influence on capital accumulation and thereby the enterprise, was believed in and advocated by the labor movement. But in the current proposals, there appears to be considerable doubt as to whether this is the case.

"It is now time to confront the uncertainty and ask if it is possible that the fund proposals have led us into a blind alley," the STOCKHOLMS-TIDNINGEN editorial continued.

"The labor movement should discuss unconditionally what one wants to achieve and then turn to the practical questions, which may not necessarily involve funds."

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CSO: 3650/168

LIBERAL DAILY ATTACKS PALME FUND PROPOSAL

Stockholm DAGENS NYHETER in Swedish 13 Apr 83 p 2

[Editorial by Nils-Eric Sandberg: "Dividing That Which Remains"]

[Text] Business profits will be shared, according to a proposal on the way from the treasury's fund expert P. O. Edin.

Why?

The political motivation is clear: profit sharing is the first step toward a complete wage earner fund; to introduce profit sharing is politically easier than to socialize comprehensively profitable industries. That is, however, a way to justify the debate about the whole issue and not in itself a solid argument for sharing business profits.

Beyond the short-run argument, as P. O. Edin formulated it in early discussions, is primarily the economic stabilization policy: by limiting "excess profits", one can stop inflationary wage drift (through a solidaristic wage policy).

The thesis stems from an accepted connection between profits, wages and wage drift. It is not true--not completely. Several studies, among others the wage-earner fund report, shows that wage drift is controlled by competition for labor during economic expansion. If this is the case, the threat of wage drift has been worsened by the relative disadvantage industrial workers have, compared with public employees.

The connection between profits and wages must also be analyzed over a longer period. If large profits pull up wages, profits should then be reduced.

But given that the solidaristic wage policy allows profitable firms to keep "excess profits" (to use the debate's arbitrary central concept), is profit sharing via collective funds a necessary and sufficient means for eliminating "excess profits"?

What will be decisive is whether the fund tax (let us call it chus) will be perceived by wage earners as a tax. If it prevents them from raising wages above the agreements, no profit sharing is needed; then only a special tax to the treasury on profits above a certain level will be sufficient.

Let us say that the fund tax does not restrain wages. Wage earners perhaps then must have a direct stake in the profits of their own firm. Profit sharing for firm employees could then restrain wages. But such a profit-sharing system conflicts with the basic principles in LO/SAP's [Federation of Trade Unions/ Swedish Social Democratic Party] centralized fund system. The status of employees would further tie labor to a single firm and reduce mobility, which at present would be a serious drawback.

However, firms are also part of the wage-drift process. Let us say that a fund tax caps their excess profits. Does this make firms less willing to allow wages to rise? Paying extra wages instead of earning "excess profits" does not cost them anything, since "excess profits" will be taken away; rather it allows them to recruit more and better employees.

A tax on wage increases exceeding a certain level would be much more effective in restraining wage-drift.

Profit sharing can, however, also be justified with reference to redistribution arguments; that is perhaps the most important motivation in the short-run. Profits shall not go (only) to the capitalists.

Such a redistribution discussion must start with the obvious question: what is profit? Who owns profits?

Profit, in the way the word is used in the debate, is a final accounting category. What the firm creates is a value addition, that is, the value of income minus the value of inputs. The value added is already divided between wages and capital. In 1970-75, the wage portion was 70-75 percent; in 1977-78, it amounted to about 85 percent at which point half of the industrial sector was on the ropes.

Most of "capital's" portion goes to interest and investment; a portion is paid out if the business is doing well. In poor years the dividend is reduced or omitted. The stockholders' share of the profit is thus a residual category: it depends on the results. Wage earners have received their share of the value added; they have no given "right" also to take part of the stockholders' portion--without also sharing losses. Just as with dividends, wages should be variable according to earnings.

Centralized funds can probably provide business with capital, but they cannot replace profit's special role in guiding money and investment to projects with expected high earnings. It is this guidance which directs the enterprise toward higher productivity and thereby gives higher real income to the entire economy. In order for profits to perform this function, there must be a degree of differentiation between wages and profits in industry.

Stock dividends are not triple-taxed up to 90-95 percent. In 1981, when taxes were lower than at present, stock dividends to private persons amounted after taxes to 0.2 to 0.3 percent of household disposable income. Two to three-tenths of a percent--that is what the fuss is about.

COLUMNIST EXAMINES ELECTION SETBACK FOR PEOPLE'S ALLIANCE

Reykjavik MORGUNBLADID in Icelandic 3 May 83 p 7

[Commentary by 'Staksteinar']

[Text] "Defensive Victory" Turns Into "Political Disaster"

"There is no reason to cover up the fact that, as regards our defensive victory, the People's Alliance ran into political disaster in this election. Olafur Ragnar Grimsson (MP) was not reelected. This is obviously a real setback for us--but fortunately it is subject to change in time. All the evidence indicates that we will have elections again soon, and there is no reason to think that Grimsson will not make it back into the Althing again." This is what Oskar Gudmundsson, who covers the Althing for THJODVILJINN, wrote last weekend in his "Sunday Politics" column. The People's Alliance received 5,400 fewer votes than in 1978, and almost 2,000 fewer votes than in 1979. Where Did the People's Alliance Lose Most--And Why?

The People's Alliance lost votes in all the electoral districts in the country except the two Nordurland districts. In the Nordurland districts, the party's following rose almost immeasurably, showing an increase of just under 1 percent.

The People's Alliance lost the most votes in the Reykjanes and Reykjavik electoral districts. The party's loss factor in Reykjavik was 5.4 percent lower than 1978 and 3.3 percent lower than 1979. In these two electoral districts, especially in Reykjanes, the party line was most relevant, considering Hjorleifur Guttormsson's efforts regarding the so-called aluminum issue and the party's position relative to the building of a new terminal at Keflavik Airport and a new oil storage facility in Helguvik.

Guttormsson's supporters in the People's Alliance have tried to blame the party's loss in Reykjanes on Geir Gunnarsson, who was top man on the People's Alliance's list of candidates there. But those who have thought the matter over know better. It becomes obvious, when we look carefully at the party's electoral following in Hjorleifur Guttormsson's district, that the People's Alliance had its third largest loss there, losing 6.7 percent compared with 1978 and 1.4 percent compared with 1979. The fourth

largest loss, finally, was in the electoral district of Kjartan Olafsson, editor of THJODVILJINN, who took Guttormsson's side in his editorial columns. Elsewhere, electoral results for the People's Alliance were not quite as bad, though they weren't exactly good anywhere.

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CSO: 3626/33

PROGRESSIVE PARTY ELECTION LOSSES, WOMEN'S GAINS VIEWED

Reykjavik MORGUNBLADID in Icelandic 4 May 83 p 7

[Commentary by 'Staksteinar']

[Text] New Tasks for Progressive Candidates

Haraldur Olafsson, university instructor, wrote the following in an article in TIMINN yesterday: "The Progressives will have to think hard about their position. The party did not fare well in the elections. It lost two representatives in the densely populated districts of the country, where 60 out of 100 Icelanders live, even though in those districts it received some 34 out of 100 of the total votes received by the party. The proposed change in the electoral laws probably will not in itself change anything for the party as far as this situation goes. The party will continue to try to correct things by using its candidates throughout the country."

Inflationary Conditions Determined Electoral Results

Haraldur Olafsson was one of those Progressive candidates who lost in the parliamentary elections in Reykjavik. His article in yesterday's TIMINN concerning election returns also included the following:

"Everyone who participated in the electoral campaign knows perfectly well what it was that caused the loss of votes for the People's Alliance and for the Progressive Party. (I don't believe for a minute the story which the leadership of the People's Alliance is spouting, that their party has actually won a victory--presumably because they received more votes than the opinion polls had said they would. Political commentators have been glad to get hold of this revisionist history, for some odd reason). It was our inflationary situation, and the refusal of the political parties to deal well with it, which determined the results of the elections from beginning to end. It is not possible, in an inflationary situation which quickly makes 80 out of 100, to go to the voters and say: Vote for us, we're just full of answers. We Progressives did what we could, and we presented, in addition, an economic policy which was offered by no other party. But it came to nothing. The inflationary conditions turned out to be stronger than specialized knowledge."

"Progressive Party in Position of Governmental Opposition"

Another Progressive candidate, Dagbjort Hoskuldsdottir, who has also written an article for TIMINN (on 30 April), maintains that the voters' choice was "coincidental" and would like to see the Progressive Party show its irritation at the situation. Word for word, she wrote as follows:

"It is my opinion, supported by many conversations I have had with Progressive Party members since the election, that the party ought to take up the position of governmental opposition. The party has been in the government for 12 years. The voters have parted ways with it. And it doesn't do any good to argue with the judge. Healthy, aggressive governmental opposition is a necessity in every democratic nation, such that it ought to be no effort at all to take that role upon ourselves."

"It would be rank stupidity to form up a coalition with the Independence Party. Experience ought to show that. But I am awfully afraid that negotiations in this direction are about to start or have already started."

Progressives Lack Women; Religion Comes Into the Picture

Dagbjort Hoskuldsdottir said the following about the "womanlessness" ascribed to the Progressive Party:

"It is also an accident, a matter of timing, that the Progressive Party cannot claim any of the nine women who sit in government now. I have heard many Progressives saying, since the elections, that the Women's Slate stole our party's thunder. That made a little devil laugh inside of me. Because why on earth would that be the case? Well, yes, maybe the most honest voters were puzzled by the lack of women in the Progressive Party. But I would first of all like to make clear that I feel a certain amount of solidarity with the candidates who were on the Women's Slate. But I would like to ask those dear ladies to remember that women are human beings as much as men are, and that MPs (male or female) need to reflect all of the parties. Though certainly there are numerous parties which have been in parliament heretofore with the same herd of men which is sitting there now."

Concerning the People's Alliance, she said the following:

"Being a member of the People's Alliance, on the other hand, falls under the category of belonging to a religion, and its membership is dying out. The most they can do in their disappointment is to divide the spoils."

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POLITICAL

ICELAND

PAPER CRITICIZES MOSCOW DIPLOMAT FOR MAY DAY ATTENDANCE

Reykjavik MORGUNBLADID in Icelandic 4 May 83 p 20

[Editorial]

[Text] The governments of Denmark, Norway and Sweden gave their diplomats in Moscow special instructions to not attend the military display in Red Square on 1 May. It was announced over the BBC in Britain that representatives from only two NATO nations--Greece and Turkey--attended the military display. However, it came to light when representatives from the Icelandic mass media visited the foreign ministry in Hverfisgata that Benedikt Asgeirsson, embassy secretary in Moscow, has stood alone under the walls of the Kremlin and had showed honor to the Soviet war machine on behalf of the Icelandic nation. The inaccuracy in the BBC report is probably due to the fact that Asgeirsson is not of ambassadorial rank, rather than being due to any assumption that Iceland does not belong with the other NATO nations when it comes to their positions as regards the Soviet Union. MORGUNBLADID has expressed its regret more than once when Icelandic government officials wagged their tails for the Soviets. It is a monstrous misunderstanding to combine politics and trade in this manner. The Icelandic diplomat standing alone under the Kremlin walls reminds us of the peculiar position Iceland took when the spying activities of Soviet diplomats all around the world were being revealed and we made no particular effort to control them in this country.

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POLITICAL

NETHERLANDS

CDA'S DE VRIES ON GOVERNMENT AGREEMENT, VVD

Amsterdam ELSEVIERS MAGAZINE in Dutch 30 Apr 83 pp 10-13

[Article and interview with Bert de Vries, CDA parliamentary fraction leader, by Frank Lafont: "CDA Fraction Leader Dr Bert de Vries: 'Coalition Agreement Must Be Broken Open"'; date and place not specified; passages enclosed in slantlines printed in Italics]

[Text] Dr E.H.T.M. Nijpels, parliamentary fraction leader of the VVD [People's Party for Freedom and Democracy (Liberal Party)], is playing on the sentiments of the moment, says Dr B. de Vries, the angry CDA [Christian Democratic Appeal] fraction leader. The Christian Democrat wants the coalition agreement between the CDA and the VVD to be broken open. According to him, this document is out-of-date where social and economic problems are at stake.

The history of coalitions between Christian Democratic parties and the VVD justifies the expectation that the VVD is a constructive government partner, according to the new chairman of the CDA fraction, Dr B. de Vries, during general observations on the administration statement by the Lubbers-Van Aardenne cabinet.

On 23 November 1982, Dr De Vries said, "We trust that this will remain as it is, even now that the VVD fraction, as well as the chairman of the fraction, are drastically younger. Mr Nijpels' predecessor, Mr Wiegel, stated more than once that coalition partners must give each other room and must meet with mutual respect. Several recent statements by Mr Nijpels constitute what is not the most convincing proof of this disposition. I just hope that Mr Nijpels will follow somewhat more closely in the footsteps of his predecessor in this respect. There are substantially striking differences between Christian Democrats and Liberals in their opinions, and this is the case not only with regard to issues of intellectual freedom and ethics. There are areas of tension with respect to social and economic policy as well, which will require a great deal of effort on both sides to make this coalition a success."

Prophetic Words

Five months later, in mid-April 1983, Dr De Vries would lecture his coalition partner, the VVD, publicly in the Groningen Warffum, saying that the Liberals had deeply disappointed him because they had allegedly declared those entitled to social benefit payments "outlaws." It was the climax in a series of incidents that preceded the Spring Memorandum, presented last week. In its prenatal phase, this "interim balance" created new areas of tension between Liberals and Christian Democrats, in the midst of which VVD fraction leader Nijpels even threatened in mid-March with a real cabinet crisis if things were not sufficiently modified. The fact that, on further reflection, this threat would only be carried out if things were modified 0.0 percent was not relevant. The big word--crisis--was out. The irritation in the ranks of the CDA increased even more when Dr Nijpels remarked merrily at his party's recent yearly gathering that AOW [old-age pension] payments could not be reduced and that at the beginning of May, the Liberals would draw up their own media memorandum. A sort of declaration of war against the address by the darling of the CDA, Minister Brinkman of Welfare, Public Health and Culture, who with his official draft media memorandum has shown himself to be the true steward of the compartmentalized Dutch broadcast system. In short, the atmosphere in the CDA-VVD coalition has not improved in the midst of all these difficulties.

"An accurate observation," says CDA fraction leader De Vries, who is just being accused by his liberal "friends" of reacting too emotionally to the issue of those entitled to social benefit payments and of playing too much on Nijpels personally. Dr De Vries: "Naturally, Nijpels is the personification of the VVD. Identifying a party with a specific person does indeed happen in politics. However, I don't mean it personally." In spite of all the irritations between CDA and VVD, the clash of weapons and so on, there are undercurrents in both parties that say that Christian Democrats and Liberals are now damned to one another.

De Vries: "That's a heavy term to use, but at this moment I think it's true. It would be an extremely bad thing for the credibility of politics and of the two coalition parties if this cooperation were to break down within one year. I think that it would be wise for us to hold this coalition up in the form of a conscious choice of policy if we want to keep the Dutch people from being saddled with new elections or with a new unstable coalition. /But then we must give each other the opportunity to do this./"

But precisely within the CDA fraction a little unrest has arisen about the fact that during the last 2 months the VVD has so successfully shown its profile in questions such as the new media structure, the necessary modifications, the move to make outside painters' work tax-deductible, the rise of the middle class, etc. This profiling would be at the expense of the CDA, as witnessed by the fact that the Christian Democrats have been losing ground in opinion polls for quite some time, while VVD support remains stable. A growing number of CDA fraction members would indeed like to rebuke their VVD coalition mates, even in public.

/In the view of Dr De Vries, is the CDA reacting too defensively?/

De Vries: "The CDA's falling curve in, among other things, opinion polls is not the only thing that is important. At the same time there is the question: how credible do we come across as a party? In the past it has rather been the fashion--and perhaps we as Christian Democrats have ourselves been partly guilty of this--to depict the CDA as a party somewhat lacking in credibility, with which you never know for sure what you've got. I think we must get away from this image. However, this limits you as well in the possibilities of taking political initiatives which you cannot forcefully carry out. If I may make a comparison with the VVD now, I think that we as Christian Democrats certainly cannot allow ourselves a number of things that the VVD does permit itself. If we were to choose the same course as the Liberals, that would powerfully strengthen the CDA's image as a party that promises everything but doesn't do it forcefully. That indicates the limitations in our manner of political action. You can call that defensive, but it takes time to readjust the CDA's image. And it is simply the question of whether the voters are just sitting around waiting for pretty promises. The image that we want to develop of a sound, reliable, stable party will indeed come across in the long run."

/Is VVD fraction leader Nijpels misusing the stereotypic image of the CDA that voters have?/

Dr De Vries: "Nijpels is certainly using this image. I don't want to make any more qualifications on that. Every political leader develops his own style."

/Does Dr Nijpels' political style speak to you?/

"That is irrelevant. It is more relevant whether his style speaks to the voters. At issue specifically are the trends in Dutch politics. Nijpels is playing on the sentiments of the moment. I think that, in the long term, one should aim carefully for a person who says, we truly want to contribute to the restoration of society. That is something very different from putting the accent in your policy on things that get you on the front page of the newspaper the following day.

"Society in the 1980's needs a new way out, through which, as a society, headway can be made during the next 25 years in a reasonably stable manner. This society, and especially its youth, certainly does not need colorful balloons. Instead, they need a policy that offers them perspectives. The style of D'66 [Democrats '66] has been very successful for a while, but it doesn't stick. The growth of the VVD was exponential last year. The Liberals shouted, soon we'll be the second party in the Netherlands. But their following is already stabilizing now, while a large group of the VVD electorate is very mobile. The question is still whether the VVD can tie that "floating" part of their voters down. Specifically, I am convinced that a large part of the present VVD voters provided the D'66 with their 17 seats 2 years ago."

/The troubles within the coalition are partly to blame on the wrangling over the Spring Memorandum. If one wishes to avoid such arguments in coming years,

would it not then be better to give the original character back to the Spring Memorandum and thus present it as an "interim balance"?/

"That was my line. I told the cabinet that the Spring Memorandum is intended to watch over, as well as possible, the execution of the budget for a specific year. Moreover, it is also true that intended policy can be announced if certain systems (student aid, rent subsidies, etc.--Ed.) get out of hand. In the interim, a cabinet should not perform any major surgery on a budget that has already been drawn up by the Second Chamber, excluding very extraordinary situations. It is also bad for cabinet policy. This is true specifically for 1983, in which substantial financial modifications--several tens of billions of guilders--were made. If now, with the Spring Memorandum in hand, a cool 3.5 billion guilders are cut, society will never calm down."

/That puts a heavy burden on the national budget and on the budget memorandum for 1984. Now this cabinet can be reproached for having pushed the decisions through to 1984./

"There are a number of things in the budget that must come up for discussion. In conformity with the coalition agreement, the finance deficit must be reduced. But that is not our only ambition. Other priorities are restoration of the private market sector and the redistribution of labor. As far as the finance deficit goes, the coalition agreement is somewhat ambiguous. On the one hand, there has been some talk that the gap of 11.9 percent (1982) must be brought back to 7.4 percent in 1986; on the other hand, there is the preference of working group A, whose starting point is another definition of the deficit. Working group A puts the 1982 deficit at 10 percent, and that must be reduced to 7 percent in the next 4 years. It is evident from this that those who drew up the coalition agreement were not of the same opinion when the pace at which the deficit had to be reduced was at stake."

/In the Spring Memorandum, Minister Ruding (Finance) clearly favors a specific scenario from the coalition agreement. In spite of the present finance deficit of 12.5 percent, he wants to end up at 7.4 percent in 1986. Do you therefore not support him in this goal?/

"I am inclined to say: let's set up a number of new scenarios on the eve of the drawing up of the 1984 budget. Scenarios which we also drew up during the cabinet formation in 1982 and which indicate at what various stages we will end up in 1986. Then it will be evident that the three-track policy (reduction of the deficit, restoration of the private market sector and redistribution of labor--Ed.) as laid down in the present coalition agreement is not feasible to the extent that we thought in 1982."

/In other words: the coalition agreement must be broken open if the three-track policy is at stake?/

"Yes, I think that adjustment is unavoidable. For example, we have said that the deficit must go down and that the burden must remain equal. The fact that this is difficult to realize right now is evidenced by the rise in the burden on the middle class. This is one new fact. The second new fact is the

disappointing yield from our natural gas. If we had known in 1982 what we know now, then perhaps we would have indeed accepted some form of extra tax burden last year, /or perhaps we would have said that the deficit should be reduced at a slower pace. We will have to discuss this again right away."/

/Have you already informed the VVD of the fact that you want to break open the coalition agreement?/

"Any sane person understands of course that new decisions must be made on the basis of new information and new facts. The 1982 coalition agreement states that further reductions of 7 billion guilders must be made in each of the next 3 years. We can figure on our fingers that this amount should be higher."

/What amount are you thinking of?/

"We must discuss that on the basis of new scenarios. We know that natural gas yield is not up to expectations . But at this time no one can provide hard data on the extent of this disappointment and its structural implications. There are so many uncertainties that one shouldn't make grand statements every month or every half year--on the basis of a number of uncertain factors--about what is going to happen. We must, however, have the courage to follow a policy in 1984 that will really lower the deficit."

/VVD fraction leader Nijpels said at the annual meeting (15 April 1983) that the extra tax burdens that are now being implemented must be turned back in 1986./

"I found that to be an interesting statement. Earlier the VVD had set plans afloat to solve the financial problems of the Spring Memorandum by raising premiums on social benefits. Thus a heavy extra burden. One aim of the coalition agreement is stabilization and thus the possible lessening of the collective burden. An aim that I wish to take seriously. Whether it is truly feasible remains to be seen."

/You don't believe in it?/

"I would like to see it. It's easy to exclaim that it's feasible, but you really need to shed more light on the matter."

/The increases in premiums on social benefits announced in the Spring Memorandum hit the middle income group the hardest. Is this unjust?/

"We said in December in the Second Chamber that if you want to take something away from the middle income group, you will produce a lot of tension. This year those people who are pushing against the premium limit are hit the hardest. When the Liberals, mark it well, came up with proposals in connection with the Spring Memorandum to increase social premiums sharply, we said no to the cabinet. The burden would fall disproportionately on middle income groups. It is because of that that I am now so surprised that the VVD is calling, in

the most outspoken manner, for the sparing of the middle income groups. The proposal now being introduced by the cabinet is considerably lower in the area of premiums than the one the VVD originally introduced. I find it shameless that the Liberals are reacting that way."

12271
CSO: 3614/104

POLITICAL

PORUGAL

EXPORT OF ARMS SHIPMENT CONSIDERED SUSPICIOUS

Alleged Nigerian Destination

Lisbon EXPRESSO in Portuguese 23 Apr 83 p 1

[Text] The public enterprise INDEP (National Defense Industries) has just carried out an ammunition export transaction in an operation whose aspects are surrounded by some mystery, as EXPRESSO was told by sources connected with this type of commercial activity.

The order, carried on board the vessel "Marco Polo" in the port of Lisbon on Thursday, consists of 12 ammunition crates containing 5.56-mm and 7.62-mm ammunition. The sources contacted by EXPRESSO were astonished by the fact that the letter of credit only called for the submission of a document signed by the ship's captain, testifying to the proper reception of the order on board, whereas the transit shipment agency in Lisbon had not issued any statement indicating knowledge of the shipment. It was said that this procedure is contrary to the standard operating procedure applied in contracts of this type.

The ammunition was ordered by two British merchants who contacted INDEP about 2 weeks ago. The final destination certificate for the weapons showed Nigeria as the purchasing country, although there was doubt as to its authenticity. The port of debarkation for the goods, officially announced in Portugal, is Sapele, in Benin. The informants contacted by EXPRESSO admitted that the ammunition might be intended for Iran or for a country in Central America.

Embassy Professes Ignorance

Lisbon EXPRESSO in Portuguese 30 Apr 83 p 1

[Text] The Embassy of Nigeria in Lisbon has no knowledge of a sale of ammunition in Portugal to its country, as a counsellor of that diplomatic mission told EXPRESSO on Wednesday.

This statement strengthens suspicions raised about the export of 12 ammunition crates, handled by the public enterprise INDEP, as this weekly publication reported last week. The country of destination of this war materiel was officially declared to be Nigeria and the port of Sapele in that country was given as the place where the goods would be unloaded.

EXPRESSO also learned that the ship, on which the order was carried--the "Marco Polo" which flies the Danish flag--last Sunday called at Bilbao, after having been loaded at the container terminal in the port of Lisbon between 18 and 20 April. Bilbao is in the direction opposite to the route to Nigeria. The movements of the "Marco Polo" after its stop-over at this Basque city are not known.

It is recalled that the order--consisting of 7,200 boxes containing 5.56-mm and 7.62-mm ammunition, worth a total of \$1,224,000 (more than 112,000 contos) --was loaded under rather mysterious conditions.

The handling of the bank payment required INDEP only to submit a document signed by the captain of the "Marco Polo" testifying to the proper reception of the order on board. On the other hand, the ship's management agency in Lisbon had not issued any statement indicating knowledge of the shipment. Both procedures conflict with the usual processing of goods movements of this type.

The final user document for this war materiel (a certificate issued by the agencies of the purchasing country, guaranteeing that the equipment would not be re-exported, would have to be issued by the Portuguese government to authorize the sale) is of Nigerian origin, which leads to the assumption that it was forged or obtained through bribery, practices which are quite current in the arms business.

Sources familiar with the contract (drawn up about 3 weeks ago by two British businessmen) admit that the ammunition may be intended for Iran or a country in Central America.

5058
CSO: 3542/124

POLL RESULTS INDICATE POPULAR POLITICAL INDIFFERENCE

Lisbon EXPRESSO in Portuguese 30 Apr 83 p 4

[Text] The results of the survey carried out for EXPRESSO by EUROEXPANSAO indicate (Table 1) that the PS [Socialist Party] is the party in which more persons put their confidence when it comes to resolving the serious situation and the problems which the country faces. Oddly enough, most of those questioned did not respond to this question, replying that they "don't know" which party has the most capable persons.

Table 2 shows the responses to the question as to who should be the next prime minister in view of the election results. Among all names indicated spontaneously by the subjects interviewed, Vitor Constancio is the name least voted for while Pinto Balsemao and Lourdes Pintasilgo are mentioned by 0.5 percent. Furthermore, 1 percent of subjects said that it should be a name put up by the PS but they did not indicate which one. The percentage of those who replied "don't know" is essentially equal to the percentage of those who "don't know" which party has the most competent persons.

Table 3 shows the distribution of responses as to who should be prime minister, according to the various indicators. Responses are not specified in keeping with the region of the country in which the subjects live, the dimension of the population residence, or the sex, age, and social status as well as occupation. It must be noted that most of the persons who responded "don't know" to the question as to who should be the next prime minister can be found in the "south interior," whereas most of those who mentioned the name of Mario Soares live in the "north interior." The men preferred Soares more than the women (66.8 percent as against 47.6 percent); this in a certain way runs counter to the popularly held opinion that Soares would get the nod of the female voters. Preference for Soares as prime minister declines as the age of the subjects goes up. Concerning social "status," there are no special disagreements between "high" and "middle," who favor the socialist leader with 59.5 percent and 59.3 percent, respectively. Soares' popularity drops to 49.2 percent among the lowest classes.

Table 4 shows the responses to the question as to which party best defends the various social-worker, white-collar employee, employer, etc. groups. The PS is the party mentioned most in all categories except two. As a matter of fact 22.4 percent believed that the PCP [Portuguese Communist Part]/APU [United People's Alliance] best defends the farmers as against only 22 percent

for the PS. Regarding the defense of the interests of the "employers," the PS once again is surpassed by the CDS [Social Democratic Center Party] with 31 percent, and by the PSD [Social Democratic Party] with 19.7 percent. The PS gets only 12.2 percent on that question.

Universe	Population 18 years or older, residing on continent, in localities with 5 or more inhabitants; 603 individuals contacted directly and personally.
Sample	Random, multistage selection, based on layers obtained through interception of the following variables: region, social-economic development and population dimension. Balancing done with these variables, sex and age.
Data collection	Interviews conducted between 26 and 28 April 1983 in 92 localities by 39 supervised interviewers. Collection accomplished through structured questionnaire.
Degree of confidence of results	The maximum confidence interval (significance level = 0.05) is <u>+4.0</u> percent on the total level.

Table 1. Which is the party that has the persons most capable of resolving the country's problems?

Quadro 1
Qual é o partido que tem as pessoas mais capazes de resolver os problemas do país

	%
PS	27,7
PSD.....	13,4
CDS.....	6,3
PCP/APU.....	6,3
Outro partido.....(1)	0,2
Nenhum.....(2)	9,6
Não sabe.....(3)	36,5
TOTAL.....	100,0

Key: 1--Other party; 2--None; 3--Don't know.

Table 2. In view of the election results, who should be prime minister?

	%
Mário Soares	53,0
Mota Pinto	7,0
Lucas Pires	1,9
Almeida Santos	0,9
Álvaro Cunhal.....	0,6
Lourdes Pintasilgo.....	0,5
Pinto Balsemão	0,5
Salgado Zenha.....	0,3
Jaime Gama.....	0,3
Vitor Constâncio	0,1
A designar pelo PS.(1)	1,0
Outros(2)	2,2
Não sabe ..(3)	31,7
TOTAL.....	100,0

Key: 1--To be appointed by PS; 2--Others; 3--Don't know. The names were indicated spontaneously by the interview subjects.

Table 3. Who should be prime minister?

	(1) REGIÃO				(2) HABITAT				SEXO (3)	
	LITORAL NORTE	INTERIOR NORTE	LITORAL SUL	INTERIOR SUL	ALDEIAS	VILAS	CIDADES	LISBOA E PORTO	HOMENS (14)	MULHERES (15)
Mário Soares	(6) 47,8	58,0	36,6	52,7	(10) 47,9	59,7	48,1	66,8	59,5	47,6
Outro (24)	19,8	16,8	13,5	3,9	16,3	12,6	17,8	13,8	17,0	14,2
Não sabe (25)	32,4	25,2	29,9	43,4	35,8	27,7	34,1	19,4	23,5	38,2
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

(4) IDADE			STATUS			(5) OCUPAÇÃO		TOTAL
19 A 34 ANOS	35 A. 54 ANOS	55 OU MAIS	ALTO/ MED. ALTO	MÉDIO / SUPER.	M. INF./ BAIXO	ACTIVO	NÃO AC- TIVO	
(16) 58,9	(17) 50,5	(18) 47,8	(19) 59,5	(20) 59,3	(21) 49,2	(22) 53,7	(23) 52,4	53,0
14,1	18,6	14,3	21,5	15,5	14,4	17,8	13,1	15,3
27,0	30,9	37,9	19,0	25,2	36,4	28,5	34,5	31,7
100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Key: 1--Region; 2--Place of residence; 3--Sex; 4--Age; 5--Occupation; 6--North shore; 7--North interior; 8--South shore; 9--South interior; 10--Hamlets; 11--Towns; 12--Cities; 13--Lisbon and Porto; 14--Men; 15--Women; 16--19-34; 17--35-54; 18--55 or over; 19--High, middle-high; 20--Upper middle; 21--Lower middle, low; 22--Employed; 23--Unemployed; 24--Other; 25--Don't know.

Table 4. Defense of interests of social groups (which of these parties best defends the interests of the workers? of the white-collar employees? Etc.)

	Defesa dos interesses dos grupos sociais (Qual destes partidos defende melhor os interesses dos operários? E dos empregados? Etc.)								
	Operários (1)	Empregados (2)	Agricultores (3)	Quadros (4)	Patriôes (5)	Donas de casa (6)	Reformados (7)	Estudantes (8)	
PS	30,6	33,2	22,0	20,7	12,2	25,3	25,8	22,5	
PSD	9,5	8,6	10,3	17,4	19,7	8,6	12,5	8,4	
PCP/APU	25,0	15,8	22,4	4,0	1,0	12,1	13,3	9,5	
CDS	3,3	4,3	5,4	8,5	31,0	3,9	3,8	5,9	
Nenhum (9)	5,8	6,7	7,4	6,2	4,2	12,5	10,1	10,9	
Não sabe (10)	25,8	31,4	32,5	43,2	31,9	37,6	34,5	42,8	
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	

Key: 1--Workers; 2--White-collar employees; 3--Farmers; 4--Government employees;
5--Employers; 6--Housewives; 7--Retirees; 8--Students; 9--None; 10--Don't know.

5058

CSO: 3542/124

POLL REVEALS PREFERENCE FOR SOARES, PS-PSD GOVERNMENT

Lisbon TEMPO in Portuguese 28 Apr 83 pp 24-25

[Text] A parliamentary accord or an administration agreement between the PSD [Social Democratic Party] and the PS [Socialist Party] (32.2 percent) and the choice of Dr Mario Soares as prime minister after the 25 April elections (31.4 percent) are the majority preferences expressed in the ANTROPOS survey conducted exclusively for TEMPO on these subjects. In response to a third question put to subjects concerning the record of Gen Ramalho Eanes as president of the republic, the majority (31.6 percent) expressed the opinion that "in general, he has done well." The survey, which gathered statements from 500 voters scattered through 35 parishes selected at random, was carried out on 9 and 10 April and the basic comments on the results was prepared by ANTROPOS. It must be emphasized that the preferred agreements to follow the PS/PSD agreement are those of the APU [United People's Alliance]/PS and PS/CDS [Social Democratic Center Party]; the second and third names indicated for prime minister are those of Professor Mota Pinto and Dr Lucas Pires, both of whom however are far short of those selected by the majority.

1. Preferable Parliamentary Accord or Administration Agreement

As we can see in the table for Question 1, the type of accord preferred is the PSD/PS accord (32.2 percent). Not counting the "others," we then have the following accords: APU/PS (23.0 percent), PS/CDS (14.3 percent), PS/CDS/PSD (6.5 percent), and CDS/PS (2.7 percent).

Table 1. If no party or coalition were to win a sufficient majority to govern by itself, which would be the preferable parliamentary or administrative accord?

TIPO DE RESPOSTAS (1)	TENDÊNCIA DE VOTO (2)										(5) (6)	
	APU	PS	UDP	Outro de esquerda (3)	CDS	PPM	PSD	Outro de direita (4)	Não sabe	Não quer dizer	Não res- ponde	TOTAL
	%	%	%	(%)	%	%	%	(%)	%	%	%	%
PSD/CDS	3,3	2,4	0,0	0,0	64,9	0,0	36,4	0,0	9,6	5,0	0,0	14,3
PS/CDS/PSD	0,0	4,9	25,0	0,0	10,8	33,3	9,1	0,0	7,5	5,0	16,7	6,5
CDS/PS	0,0	3,7	0,0	0,0	2,7	33,3	0,0	0,0	5,3	0,0	0,0	2,7
PSD/PS	0,0	45,1	0,0	33,3	0,0	0,0	46,8	0,0	35,1	30,0	25,0	32,2
APU/PS	78,7	28,1	25,0	33,3	0,0	0,0	0,0	0,0	10,6	10,0	8,3	23,0
Outro (7)	6,6	1,2	50,0	33,3	2,7	0,0	2,6	0,0	3,2	0,0	8,3	3,4
Não sabe (8)	9,8	12,8	0,0	0,0	16,2	33,3	5,2	0,0	26,6	10,0	8,3	13,9
Não responde (9)	1,6	1,0	0,0	0,0	2,7	0,0	0,0	0,0	2,1	40,0	33,3	4,0
TOTAL	100,0	100,0	100,0	100,0	100,0	0,0,0	100,0	100,0	100,0	100,0	100,0	100,0

Key: 1--Type of response; 2--Voting trend; 3--Other on the left; 4--Other on the right; 5--Will not tell; 6--No response; 7--Other; 8--Don't know; 9--No response.

It must be emphasized that 13.9 percent said that they did not know and 4 percent did not respond.

Let us now look at the situation concerning each electorate. The electorate of the APU massively prefers the APU/PS coalition (78.7 percent).

On the other hand, the electorate of the PS is very much divided since, although the larger percentage (45.1) indicated the PSD/PS coalition, the current that prefers the APU/PS coalition is very strong (28.1 percent), not mentioning those who prefer such coalition types as PSD/CDS (2.4 percent), PS/CDS/PSD (4.9 percent), and CDS/PS (3.7 percent).

The majority of the CDS voters (64.9 percent) prefers the coalition with the PSD, although there are also those who want the PS/CDS/PSD coalition (10.8 percent) and the CDS/PS coalition (2.7 percent).

The CDS electorate rejected the so-called "central block" and this is symptomatic since none of the subjects interviewed in that political grouping mentioned the PSD/PS coalition.

The PSD electorate is even more divided than that of the PS. Although the percentage in favor of the PSD/PS coalition is higher (46.8 percent), the

percentage of those who want a coalition with the CDS is also higher (36.4 percent). If, to the latter, we add those who prefer the PS/CDS/PSD coalition (9.1 percent), we can arrive at the conclusion that the PSD electorate is divided into two practically identical factions; while it is true that 46.8 percent prefer the "central block," it is no less true that 45.5 percent prefer a type of coalition or accord in which the CDS would be present.

Mario Soares Getting Most Votes for Prime Minister

2. Personalities Whom You Would Like to See as Prime Minister of Portugal after the Elections

Overall, the percentage in favor of Mario Soares is highest (31.4 percent). Next we have Mota Pinto (19.2 percent), Lucas Pires (8.0 percent), Alvaro Cunhal (7.2 percent), Carlos Brito (2.5 percent), Adriano Moreira (2.1 percent), Almeida Santos (1.7 percent), and Pinto Balsemao (1.5 percent).

We must also stress the fact that 15.0 percent stated that they wanted none of those persons, not to mention those who did not respond (1.9 percent) or those who told us that they did not know (9.7 percent).

On the level of each electorate, we can see that, regarding APU, Alvaro Cunhal does not get a majority (49.2 percent); he is the only party leader to whom that happened. Among the APU voters, all responded and there are only few who were undecided (3.3 percent). It is symptomatic that we find here the highest percentage (18.0 percent) of those who did not want any of the above.

It must furthermore be stressed that, in addition to Carlos Brito (16.4 percent), the APU voters also mentioned Mario Soares (6.6 percent), Mota Pinto (1.6 percent), Pinto Balsemao (1.6 percent), and Lucas Pires (1.6 percent).

The PS voters expressed a definite preference for Mario Soares. Next they mentioned Almeida Santos (3.7 percent), Mota Pinto (4.9 percent), Lucas Pires (2.4 percent), Carlos Brito (1.2 percent), and Pinto Balsemao (0.6 percent).

The CDS voters on the other hand for the most part preferred Lucas Pires (51.4 percent) although they also mentioned Mota Pinto (21.6 percent) and Adriano Moreira (10.8 percent).

Finally, the PSD voters by a vast majority preferred Mota Pinto (74.0 percent). They also mentioned Lucas Pires (3.9 percent), Mario Soares (3.9 percent), Adriano Moreira (1.3 percent), and Pinto Balsemao (1.3 percent).

3. Opinion on Gen Ramalho Eanes

Overall, the highest percentage (31.6 percent) approved the statement "in general, he has done sufficiently well." The following percentages went for the following statements: "He made mistakes which could have been avoided" (25.1 percent); "I completely approve his record" (16.6 percent); "He performed just average but without making too many mistakes" (16.4 percent); and "I completely disapprove his record" (6.1 percent).

It must be emphasized that the voters in general are very well informed on this subject since the combined percentage of those who did not respond and those who were undecided only came to 4.3 percent.

The voters likewise are very much divided regarding the record of the president of the republic since the sums of the combined percentages of the two opinions that are favorable without reservations (48.2) and the three less favorable or unfavorable ones (47.6 percent) are practically the same.

Looking at the combination of favorable and less favorable questions we can see that the record of Gen Ramalho Eanes as president of the republic basically pleased the voters of the PS (65.2 percent) who furthermore are the only ones among whom this phenomenon can be registered. The fact is that this combined percentage does not exceed 44.2 percent among the voters of the APU, 31.2 percent within the PSD, and 24.3 percent in the CDS.

The CDS voters are those who most severely criticize Ramalho Eanes; the combined percentage of unfavorable or less favorable responses among them comes to 74.9 percent. Besides, the same combined percentage also shows a majority among the voters of the PSD with 65.0 percent and those of the APU with 52.5 percent.

Table 2. Whom would you like to see as prime minister after the elections?

TIPO DE RESPOSTAS (1)	TENDÊNCIA DE VOTO (2)												TOTAL %	
	APU %	PS %	UDP %	Outro de esquerda %	TENDÊNCIA DE VOTO (3)				PSD %	Outro de direita %	Não sabe %	Não quer dizer %	Não res- ponde %	
					CDS %	PPM %	PSD %	Outro de direita %						
Mota Pinto	1,6	4,9	0,0	33,3	21,6	0,0	74,0	0,0	14,9	10,0	0,0	19,2		
Pinto Balsemão	1,6	0,6	0,0	33,3	0,0	33,3	1,3	0,0	2,1	0,0	0,0	1,5		
Lucas Pires	1,6	2,4	25,0	0,0	51,4	66,7	3,9	0,0	7,5	5,0	0,0	8,0		
Mário Soares	6,6	73,8	25,0	33,3	0,0	0,0	3,9	0,0	12,8	20,0	25,0	31,4		
Adriano Moreira	0,0	0,0	0,0	0,0	10,8	0,0	1,3	0,0	4,3	0,0	8,3	2,1		
Almeida Santos	1,6	3,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	5,0	0,0	1,7		
Álvaro Cunhal	49,2	0,6	0,0	0,0	0,0	0,0	0,0	0,0	1,1	0,0	16,7	7,2		
Carlos Brito	16,4	1,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,5	
Nenhum deles (8)	18,0	6,1	50,0	0,0	2,7	0,0	11,7	0,0	29,8	35,0	25,0	15,0		
Não sabe	33,3	6,7	0,0	0,0	13,5	0,0	3,9	0,0	25,5	5,0	0,0	9,7		
Não responde	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,1	20,0	25,0	1,9		
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	

[See key on following page]

[See Table 2 on preceding page]

Key: 1--Type of response; 2--Voting tendency; 3--Other on left; 4--Other on right; 5--Don't know; 6--Undecided; 7--No response; 8--None of the above; UDP [Popular Democratic Union]; PPM [Popular Monarchist Party].

Table 3. Which of the following phrases best expresses the record of Gen Ramalho Eanes as president of the republic?

(1) TIPO DE RESPOSTAS	(2) TENDÊNCIA DE VOTO										(4)	(5)	(6)	(7)	TOTAL
	APU %	PS %	UDP %	(3) Outro, de esquerda %	CDS %	PPM %	PSD %	Outro de direita %	Não sabe %						
Aprovo totalmente (8) a sua actuação	9,8	28,7	25,0	33,3	8,1	0,0	3,9	0,0	12,8	15,0	25,0	16,6			
Em geral, tem actuado bastante bem (9)	34,4	36,6	0,0	66,7	16,2	33,3	27,3	0,0	34,0	25,0	16,7	31,6			
Tem actuado mediocre- (10) mente mas sem cometer demasiados erros	19,7	9,2	25,0	0,0	32,4	33,3	19,5	0,0	19,2	15,0	8,3	16,4			
Tem cometido erros (11) que poderia ter evitado	31,2	21,3	0,0	0,0	18,8	0,0	33,8	0,0	24,5	25,0	33,3	25,1			
Desaprovo totalmente a sua actuação (12)	1,6	1,8	50,0	0,0	21,6	33,3	11,7	0,0	3,2	5,0	8,3	6,1			
Não sabe	0,0	2,4	0,0	0,0	2,7	0,0	3,9	0,0	4,3	15,0	0,0	3,2			
Não responde	3,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,1	0,0	6,3	1,1			
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0			

Key: 1--Type of response; 2--Voting tendency; 3--Other on left; 4--Other on right; 5--Don't know; 6--Undecided; 7--No response; 8--I totally approve his record; 9--In general, he did quite well; 10--His performance was average but he did not make too many mistakes; 11--He made mistakes which could have been avoided; 12--I completely disapprove of his performance.

5058

CSO: 3542/124

SERGEANTS CRITICIZE LAW ON NATIONAL DEFENSE

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Apr 83 p 3

[Text] Wives of officers, sergeants, and enlisted men from the three services of the Armed Forces mark 25 April in the course of a luncheon at VOZ DO OPERARIO.

"We cannot permit a return to the past which the captains of April, weapon in hand, swept away once and for all. It is necessary to dissuade, calmly but without concessions or stubbornness, those who dream of revenge," a sergeant said in the name of the 1,345 persons who yesterday gathered in Lisbon during a luncheon marking 25 April.

The message of the sergeants present, drawn from the three services of the Armed Forces and the GNR [Republican National Guard] as well as the Fiscal Guard, notes that the majority of that class has come out "unequivocally in the daily routine of military life against the many things that have been done to wipe out the heritage of April."

Bitterly criticizing the National Defense Law, the sergeants also deplored the fact that the life of the military establishment occupies "very little room in the serious and committing statements of those who are going to submit themselves to the popular verdict."

The sergeants also reviewed the situation of their class with relation to each of the services of the Armed Forces, concluding that, in the Army, "none of the big problems were solved" while, in the Navy, "the current administration is not solving but rather worsening the difficulties." In the Air Forces, they criticized the fact that the top command has not agreed to the formal establishment of a general club for the class.

The dinner was attended by a delegation from the 25 April Association consisting of Lt Col Carlos Fabiao, Maj Barbosa Pereira (Air Force), and Lt Simoes Teles (Navy).

A message signed by Vasco Lourenco in the name of the Installation Commission of the 25 April Association, sent to all of the units requesting the presence of Association representatives during the commemorative ceremonies, notes that "the course followed by Portuguese society (...) has been full of fruitful and clear lessons which must be specific examples for everybody regarding the struggle that remains to be fought and the contributions that are necessary to implant democratic principles."

POLITICAL

PORTUGAL

EANES MESSAGE TO 25 APRIL CELEBRATION

Lisbon DIARIO DE NOTICIAS in Portuguese 1 May 83 p 1

[Text] "Because we do not want Portugal once again to have to demand of some of its military personnel another 25 April, we will continue completely committed on this 25 April," Salgueiro Maia said yesterday in Santarem during a luncheon commemorating the Revolution of 1974 in which he participated as commander of the assault on the Carmo Barracks.

"We are not here to look to the past," the officer said, adding that, although conditions are different now, "those persons are deluding themselves who think that they can force us to return to easy-going inactivity, conniving resignation, or manipulation by the establishment which characterized the military in the past and with which we definitely broke on 25 April 1974."

Salgueiro Maja also felt that "the military are fully and responsibly aware that 25 April is being marked in a new situation," during the last stage "of the patriotic pledge which we made toward our people." As for the end of the period of transition, the officer stressed that "the military came out at a certain moment because, in their view, only the Portuguese revolution can dignify our democracy and honor our military establishment."

The president of the republic did not attend the luncheon where close to 1,100 regular officers had gathered; but he did send a message which was read during the gathering and in which he said: "I am with you in our celebration and I am with its national and democratic goals because I consider them important at this time."

The message from Ramalho Eanes added: "We can say with calm, pride, and firmness that we have accomplished everything we pledged when, on 25 April 1974, we assumed responsibility for the guarantee of all democratic rights of the Portuguese and when the military establishment played its part in the promises of April."

5058

CSO: 3542/124

COMMUNIST VIEWS PROBLEMS OF LIBERAL, CENTER PARTIES

Stockholm SVENSKA DAGBLADET in Swedish 23 Apr 83 p 2

[Commentary by Ola Gummesson]

[Text] More than 6 months after the election, the Social Democratic Labor Party still maintains its strong position among voters. Polls do not indicate any massive flight of voters from the government party in the near future either.

The Moderate Coalition Party has gained some strength. The middle parties are largely standing still; together, they have the support of 20 percent of the voters.

The Liberal Party's position, of course, is the most deplorable. After a long and difficult ordeal, the party held another congress last January, to no avail whatsoever, based on present evaluations. This statement by Pehr G. Gyllenhammar at the last party congress may be prophetic:

"The Liberal Party's crisis has not been solved; it has just begun."

For obvious reasons, the spirit of the party's few leaders is still broken. Today, it is almost impossible to find a single Liberal Party member who dares to hope for an improvement.

The party leadership issue is a problem, but far from the only one. In the midst of the party's most difficult hour, its financial situation is getting drastically worse. Talented people are scattering like chaff in the wind.

Of course, a weakened party like the Liberal Party also has publicity problems. The other day I sat and talked with a few leading Liberal Party members, who felt that the mass media knowingly suppress Liberal Party points of view. Speeches are not being reported in the news. The Liberal Party has become uninteresting in the eyes of the mass media; the party is being treated like the Communists.

There were understandable elements of bitterness in the remarks made by these Liberal Party members. Traditionally, the Liberal Party has held a strong

position in the mass media. No other party has had as many or as talented writers with so many opportunities to convey their message.

Even that bastion is now in ruin.

As far as Ola Ullsten is concerned, one might say he is valient to the point of stupidity. How long can be endure when the hopelessness continues to spread among the leaders of the party. Two new vice chairmen were appointed at the party congress in January: Birgit Friggebo and Ingemar Eliasson. The risk is great that both will be spent in the ongoing ordeal. Now they are also responsible for what happens, or does not happen. Friggebo was considered an alternative to Ullsten in January. Is she still?

A change in party leadership is one necessary condition for solving the Liberal Party's problems. Another condition is that the united party begin to pursue freedom issues. The party's crisis stems not least from the fact that these issues have been set aside. In a short period of time, the Liberal Party has almost miraculously succeeded in obliterating its profile. It will, no doubt, take much longer to reestablish it again.

The freedom issues do or should constitute the Liberal Party's profile. In contrast to the Liberal Party, the other centrist party, the Center Party, no longer embraces these natural issues.

According to many, the Center Party changed during the heated nuclear energy debate to a single-issue party. Center Party members themselves energetically deny the validity of that. It was quite obvious, however, that the entire party and not least its chairman concentrated heavily on that one issue. When the struggle was over and lost, it naturally left Center Party members with a feeling of emptiness.

Furthermore, the Center Party lost a substantial amount of voters during the nuclear energy debate, probably many of them for good.

The Center Party, which sponsored a big meeting in Malmo yesterday in an effort to reestablish itself, is suffering from the lack of profile issues. What does the Center Party actually have to bring to Swedish politics?

To all appearances, Thorbjorn Falldin is intent on revenge and will most certainly retain the party leadership post beyond the 1985 election.

Hence, it is at least clear that the Center Party will not enter into a closer cooperation with the Social Democratic Labor Party. The dream of a red-green coalition will be kept alive by its supporters, but there is no practical basis for it. That realization is growing, even among the strongest moderates within the party.

The Center Party will try to find its own course, wherever it may lead. One might guess that Ghorbjorn Falldin, the political fox that he is, will patiently wait for the Moderate Coalition Party to make a critical mistake, which the Center Party can then exploit.

Falldin surely hopes that the Moderate Coalition Party will develop its profile to the point where "the party will show its true face" and can be characterized as "extreme."

A party propelled by a strong tail wind is always running the risk of being too proud, of going too far. That also applies to the Moderate Coalition Party. Tactical and strategic mistakes on the part of the Moderate Coalition Party could be the Center Party's best opportunity.

8952

CSO: 3650/177

POLITICAL

SWEDEN

ULLSTEN ATTACKS PALME GOVERNMENT ON HANDLING OF ZONE ISSUE

Stockholm SVENSKA DAGBLADET in Swedish 26 Apr 83 p 7

[Article by Hans O. Alfredsson]

[Text] Does the government intentionally suppress facts by taking a hush-hush attitude toward the zone issue?

That question was raised by former Minister for Foreign Affairs Ola Ullsten in a debate with his successor Lennart Bodstrom during a parliamentary question and answer session last Monday.

Ola Ullsten was referring to Ambassador Maj Britt Theorin's statement in a speech in Solleftea a couple of weeks ago, in which she remarked about the notes, the so-called "green book," which was discussed earlier in SVENSKA DAGBLADET.

According to Ullsten, Theorin had said something to the effect that "material which only denotes problems is not very useful to an active political leadership and serves no other purpose than trying to block the strong public demand for a nuclear-free zone in the North." According to Ullsten, the idea behind that statement must be that facts which cause problems politically must be concealed.

"We need to ask what kind of hush-hush matters might generate such an idea. Could it be that problems must be suppressed in order to present a tidier political picture?"

Lennart Bodstrom denied that the government has "any intention whatsoever" of withholding facts that would be needed in a public debate of the issue.

He pointed out that the chancellery is continuing its investigations and that the government will publicly announce its view "based on all the available materials."

"This announcement will include relevant parts of the zone study as well," he assured.

According to Bodstrom, the findings which cannot be made public will be submitted to the Foreign Affairs Committee.

He also insisted that he "in no way" disagrees with what "Mrs Theorin" said.

Popular Basis

"She points out that the issue of a Nordic zone should not be discussed exclusively by experts in terms of sophisticated language. This is an issue that must also be discussed on a broad popular basis."

Ullsten expressed that the Minister for Foreign Affairs "can, of course, not agree with Maj Britt Theorin and also be of the opinion that the facts have a special value of their own to the government. Yet, he said he could understand why Bodstrom, for reasons of loyalty, is saying he agrees with Maj Britt Theorin, while not doing so in practice.

"What she actually said is that the study was really initiated to block the strong public demand for a nuclear-free zone in the North."

8952
CSO: 3650/177

POLITICAL

SWEDEN

POLL MEASURES VOTER CONFIDENCE IN PALME GOVERNMENT

Stockholm DAGENS NYHETER in Swedish 30 Apr 83 p 6

[Article by Sven Svensson]

[Text] Some 22 percent of the nonsocialist party voters have confidence in the Palme government, while 10 percent of the socialist party voters distrust it. This is according to an IMU [Institute for Market Research] poll for DAGENS NYHETER to measure voter attitude toward the government's ability to manage its task. Among the nonsocialists, Liberal Party voters, in particular, felt that the government is doing a good job.

The poll was taken between 21 March and 14 April in conjunction with a voter barometer, which was publicized a week ago.

The poll was the first in a series in an attempt to measure voter confidence in the government. This was the question asked of those polled:

"Do you have much or little confidence in the present government in Sweden?"

Voters were then asked to rate the government on a scale from minus three to plus three, minus three representing very little confidence and plus three a high degree of confidence.

Some 910 persons were interviewed and 3.5 percent of them had no opinion.

Fifty-Five Percent Positive

According to the latest IMU voter barometer, 49 percent of the voters supported the socialist block and 44.5 percent the nonsocialist block, while the other parties received 6.5 percent of the voter support.

The confidence poll yielded the following result:

Plus 3	11.0 percent
Plus 2	22.5 percent
Plus 1	21.5 percent
Positive votes	55 percent

Minus 1	15.0 percent
Minus 2	14.0 percent
Minus 3	12.5 percent
Negative votes	41.5 percent
No opinion	3.5 percent

Among socialist block voters, 87 percent had confidence in the present government, 10 percent distrusted it.

Among nonsocialist block voters, 75 percent distrusted the Palme government, while 22 percent had confidence in it.

Among other party voters, primarily Christian Democratic Party (KDS) and Environmental Party voters, 56 percent distrusted the present government and 38 percent had confidence in it.

Liberal Party (FP) Support

Among all party voters, Social Democratic Labor Party voters were most satisfied with the government and, likewise, Liberal Party voters among all the nonsocialist parties.

Some 87 percent of the Social Democratic Labor Party voters had confidence in the government, compared to 84.9 percent of the Left-Party Communists.

Among nonsocialists, 39 percent of the Liberal Party voters felt the government was doing a good job, compared to 25.5 percent of the Center Party voters and 18.1 percent of the Moderate Coalition Party voters.

This means that among all party voters, only 5 percent of the Moderate Coalition Party voters felt the government was doing a good job.

Among Social Democratic Labor Party voters, 23 percent rated the government plus three, 40 percent plus two and 24 percent plus one.

Among Liberal Party voters, which constitute 4 percent of all party voters, 33 percent rated the Palme government plus one and 6 percent rated it plus two.

Some 9.7 percent of the Social Democratic Labor Party voters and 14 percent of the Left-Party Communists gave the Palme government a minus rating. Among the nonsocialists, 61 percent Liberal Party voters, 68.9 percent Center Party voters and 79.1 percent Moderate Coalition Party voters rated the Palme government negatively.

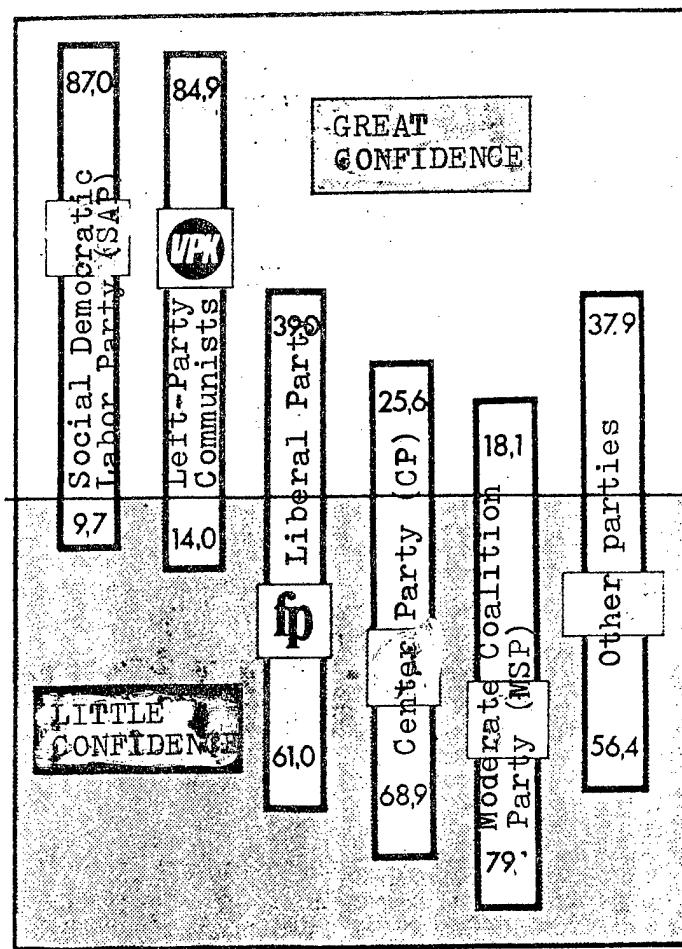
Average Degree of Confidence

Computing the average of the plus and minus ratings, we get the average degree of confidence in the present government.

Among all those questioned, the average degree of confidence according to "the confidence pendulum" was plus 0.18.

With respect to individual political parties, where plus three would be the highest possible figure, the confidence pendulum reads as follows:

Social Democratic Labor Party	+1.59
Left-Party Communists	+1.34
Liberal Party	-0.59
Center Party	-1.14
Moderate Coalition Party	-1.36
Other parties	-0.65



This diagram shows how different party voters viewed the government's ability to handle its task. Among Social Democratic Labor Party voters, for example, 87 percent had great confidence in the Palme government, while 9.7 percent had little confidence in it. Among other party voters--the Environmental Party, the Christian Democratic Party, etc.--37.0 percent expressed great confidence in the government, 56.4 percent little confidence.

REPORTED MALAISE PERVERSES NAVY OFFICER RANKS

Lisbon O JORNAL in Portuguese 6-12 May 83 p 21

[Text] Recent attitudes in the navy hierarchy of command are at the root of a general malaise that has lately been apparent, especially among the officers of that branch of the armed forces, according to what has been reported to O JORNAL by a reliable source.

Among these attitudes, the same source mentioned the use of pressure to move the traditional party scheduled by the Army-Navy Club for the night of 24 April to the 25th and the reassignment to a point outside Lisbon of an officer who is involved in the management of that club.

The pressure to change the date of the party was unsuccessful. But in the meantime, Lt Cdr Pereira Bastos, one of the managing directors of the Army-Navy Club, was assigned to the Selection Board of Oporto, although his post and the duties he was to perform on the Naval Training Board did not justify this step.

Legal, but...

According to navy sources, the measure taken in the case of Lt Cdr Pereira Bastos came as a result of his participation in the inaugural dinner of the recently founded Enlistment Club. After the dinner, the officer (who was representing the Army-Navy Club) spoke a few words suitable to the occasion and expressed the hope that the CMN [Army-Navy Club] would maintain with the recently founded Enlistment Club the same good relations it has enjoyed with the Sergeants' Club.

While Lt Cdr Pereira Bastos' reassignment is legal, it caught the naval officers by surprise. On the one hand, the mission now assigned to him is normally carried out by officers of the militia and of lower rank; on the other, that officer originally came to develop in the Instructional Board an investigative process in connection with the new instructional systems of the navy, and this work has now been interrupted.

In the navy (where movements of support and sympathy are increasing in number), the idea is spreading that all of these events are beginning to look like attempts hostile to the freedom of association and speech provided for by the constitution.

The most conservative sectors of the armed forces had tried without success to effect the inclusion in the Defense Law of limits on the creation of associations and clubs. What is about to happen in the navy at any moment will have to be viewed in this context and many officers admit that, behind the whole affair, is the influence that the so-called, "Group of the Eighties" has with the chief of staff.

8089

CSO: 3542/128

SERRA SEEKS ADDITIONAL GERMAN FACA OFFSETS

Madrid YA in Spanish 11 May 83 p 11

[Text] The minister of defense, Narciso [Narcis] Serra, began a 2-day trip to the Federal Republic of Germany yesterday to seek an increase in Germany's offer of offsets in the purchase of the Tornado aircraft. He will also inquire about the Leopard battle tank with a view to its possible coproduction in Spain.

Even though the minister of defense, Narciso Serra, has given assurances that he is not taking to the Federal Republic of Germany the Spanish Air Force's decision regarding the purchase of the 84 planes of the FACA [Future Combat and Attack Aircraft] program, spokesmen for the Spanish Air Force consulted by OTR-PRESS have indicated that the Spanish minister could share with the German authorities the difficulties standing in the way of selecting the European aircraft so that the military's choice would be held in abeyance until Narciso Serra's return.

In this connection the minister of defense assured reporters in Zaragoza last Friday that he would not be informed by the Spanish Air Force's choice of aircraft until his return from Germany, after which the Council of Ministers would discuss this decision.

In military circles it was asserted that the process of choosing the aircraft will not be that anticipated by Narciso Serra but that, even though he first received the opinion of the air force's command yesterday, this opinion is merely of an advisory nature given that the Spanish Air Force is seeking to acquire 84 American F-18 planes built by McDonnell Douglas whereas the minister of defense and the government reportedly are more in favor of the Tornado aircraft built by the Panavia consortium because of the offsets, both economic and political, which the acquisition of the European plane would involve. Hence, during his visit to Germany the minister of defense plans to convince the European suppliers of the need for them to offer additional offsets for the implementation of the FACA program.

The ministers of defense of Spain and the Federal Republic of Germany, Narciso Serra and Manfred Woerner, reached an agreement in Bonn yesterday to cooperate in the field of arms and equipment for the armed forces of both countries.

DEFENSE MINISTRY STUDY ON TANK NEEDS

Madrid ABC in Spanish 12 May 83 p 20

[Text] The Spanish Ministry of Defense is undertaking a complete study on the Spanish Army's needs in battle tanks in the intermediate run, existing models, and possibilities for coproduction in Spain.

The study, according to a reply by the minister of defense to the question of a deputy of the Popular Group, Gabriel Elorriaga, is being done by the army's general staff in cooperation with the General Directorate of Armament and Equipment. It is a study which includes models of existing tanks in the international market, the offsets available in their purchase, and the possibility of their coproduction in Spain.

On his part the commander in chief of the Venezuelan Army, Luis Octavio Romero, who will begin a visit to Spain tomorrow, will negotiate with the Spanish minister of defense sales of the AMX-30 battle tank. According to what the EFE news agency learned from business circles, Venezuela is interested in determining what improvements the Spanish weapons industry has made in this battle tank.

Three Models

At present the Spanish Army has three types of medium battle tanks: The M-47E and the M-48, of American design, and the AMX-30 of French design but which is built entirely in Spain at Santa Barbara's plant in Seville.

The M-47E tank is an adaptation of the older American M-47 tank which used to be powered by a gasoline engine. It now has a diesel engine which gives it a longer range and greater fuel economy.

The weaponry of this battle tank consists of a 90-millimeter cannon, a 12.70-millimeter antiaircraft machinegun, and another 7.65-millimeter coaxial machinegun.

The M-47E tank has a crew of four, namely, a tank chief, a driver, a loader, and a gunner. The maximum longitudinal gradient which this tank can climb is 60 per 100, and its maximum lateral gradient capability is 30 per 100. The M-47E has a watercourse fording capacity of 1.22 meters, and it can negotiate a maximum vertical obstacle of 0.90 meter and a trench 2.60 meters wide.

The M-47E weighs 44 tons when combat-ready and 42 tons empty and it has six rollers. On its part, the M-48 is a tank that is very similar to the M-47E, but it incorporates some improvements that give it additional speed. Its characteristics are the same as those of the M-47E. The appearance of the M-48 is somewhat different since it is lower, its turret is more rounded, and it is also a little heavier. The armor of the M-48 has been contoured in spots so that it may be more resistant to the penetration of projectiles. As in the case of the M-47E, the M-48 can use different types of ammunition: Armor-piercing projectiles, fragmentation ammunition, flare projectiles, and so on.

The most important feature of the AMX-30 tank is its 105-millimeter cannon and its multi-fuel engine which can operate, when readied beforehand, with diesel oil, gasoline, or kerosene. It is a lighter tank since, when combat-ready, it weight 36 tons; empty it weights 34 tons. The AMX-30 tank has five rollers. Its firing guidance system is more complex and accurate than that of the other tanks mentioned.

The AMX-30 has a range of over 500 km and its average combat speed in all types of terrain is 30 km an hour. It can negotiate trenches that are broader than those which the M-47E or the M-48 can cross, but the most important thing is that, thanks to its Schnorkel system, it can go under water 4 meters deep given that the tank is watertight for submersion and airtight for atomic warfare. The major drawback of the AMX-30, its gearbox, was replaced by a hydraulic system which has obviated many breakdowns.

The Leopard-2 is the German battle tank which the heads of its manufacturing firm, Krauss-Maffei, have offered to Spain. According to its builders, the Leopard-2 is characterized by great firepower, optimal safety of the crew and equipment, and great mobility. It carries a 120-millimeter cannon and has two 7.62-millimeter machineguns, one of them for antiaircraft use and the other, a coaxial machinegun. Its rangefinder uses laser rays and it has special armor involving a multilayer arrangement. Despite its being a very heavy tank, weighing 55 tons, it has great mobility because of its 1,500-horsepower engine and automatic transmission system. The Leopard tank has seven rollers. Like the AMX-30, the Leopard can be submerged under 4 meters of water, carries armor-piercing ammunition, and also has capabilities for atomic, chemical, and bacteriological warfare.

2662
CSO: 3548/412

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